TRIGON Agri

ANNUAL REPORT 2012

Trigon Agri is an integrated soft commodities producer, storage provider and trader. Its core operations are cereals production in Rostov, Russia and cereals production in Central-Eastern Ukraine.

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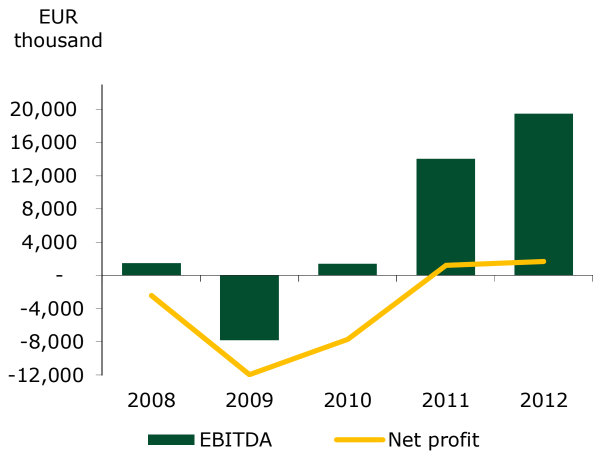
HIGHLIGHTS OF 2012

DESPITE EXTREME DROUGHT RUINING ALMOST 40% OF OUR HARVESTED AREA AND LEADING TO FAR WORSE RESULTS THAN WE HAD TARGETED, EBITDA AND NET RESULT SHOW CONTINUED IMPROVEMENT. MANAGEMENT WILL BE PROPOSING A DIVIDEND FOR THE SECOND YEAR RUNNING.

- Total revenue, other income, fair value adjustments and net changes in inventory for 2012 amounted to EUR 73,006 thousand (EUR 71,080 thousand in 2011).
- Cost of purchased goods for trading purposes amounted to EUR 14,165 thousand in 2012 (EUR 10,706 thousand in 2011).
- Total operating expenses excluding one-off items amounted to EUR 55,361 thousand in 2012 (EUR 50,703 thousand in 2011).
- **EBITDA in 2012 amounted to EUR 19,480 thousand (EUR 14,057 thousand in 2011).**
- EBIT in 2012 amounted to EUR 10,846 thousand (EUR 6,242 thousand in 2011).
- **The Net profit of the Group in 2012 amounted to a profit of EUR 1,687 thousand (profit of EUR 1,202 thousand in 2011).**
- The consolidated assets of the Group as of December 31, 2012 amounted to EUR 210,100 thousand (EUR 194,360 thousand at December 31, 2011).

EBITDA AND NET PROFIT DEVELOPMENT



Income statement, EUR thousand	**2011**	**2012**
Total revenue, other income and fair value adjustments and net changes in inventories	71,080	73,006
Cost of purchased goods for trading purposes	-10,706	-14,165
OPEX excl. one-off items	-50,703	-55,361
One-off items*	4,386	14,266
EBITDA	**14,057**	**19,480**
EBIT	6,242	10,846
Net financial items	-5,100	-8,687
Net profit/loss	**1,202**	**1,687**

* One-off items in 2012 are gain from disposal of subsidiaries, write off of Ukraine VAT liability and other receivables and advance payments. One-off item in 2011 is gain from revaluation of Investment property.

Balance sheet, EUR thousand	31.12.2011	31.12.2012
Total assets	194,360	210,100
Incl. Non-current assets	119,944	164,181
Incl. Property, plant and equipment	83,228	147,473
Net debt	40,434	53,167
Total equity	122,098	128,566

Cash flow statement, EUR thousand	2011	2012
Cash flows from operating activities	-11,127	10,745
Cash flows from investing activities	-20,473	-19,249
Cash flows from financing activities	39,974	-2,551
Effects of exchange rate changes	65	-68
Cash and cash equivalents at beginning of period	10,874	19,313
Cash and cash equivalents at end of period	19,313	8,190

Key figures	31.12.2011	31.12.2012
Number of shares, end of the period	129,627,479	129,627,479
Number of shares outstanding, end of the period	129,627,479	129,627,479
Total number of employees	1,501	1,252
Land under control, hectares	176,891	169,811

Ratios	2011	2012
Earnings per share (EPS), EUR	0.01	0.01
Return on assets (ROA)	1%	1%
Return on equity (ROE)	1%	1%
Equity ratio, %	63%	61%
Current ratio	4.56	1.65
Acid test	2.37	0.68

TRIGON AGRI'S CHAIRMAN OF THE BOARD, JOAKIM HELENIUS, COMMENTS:

Trigon Agri's Chairman of the Board, Joakim Helenius

As indicated in previous statements, 2012 was an exceptionally challenging year with the extreme drought conditions in the southern parts of Russia and Ukraine effectively wiping out almost 40% of our harvested area. This clearly made it impossible for us to achieve the significant improvement in our profits which we had targeted for the year. Despite the weather conditions being extremely unfavourable for us, we are, however, pleased to show a continued improvement in our consolidated EBITDA and Net Profit, which means that management will propose a dividend payment in accordance with our dividend policy for the second year in a row.

The Rostov land swap transaction, which was concluded in Q4, is explained in detail in the following section. Importantly, it was structured in a way which impacted our liquidity in only a minor way. We believe that thanks to the irrigation potential of the land in question combined with its vicinity to Black Sea grain export terminals, it will provide us with a platform which together with our profitable Ukrainian operations will allow us to achieve our declared target of a return on assets of 20% or more. Importantly we are working on structures that will allow us to avoid using our own balance sheet to finance the irrigation roll-out, relying instead on a combination of government subsidies and third party strategic and financial partners. We aim to achieve our targeted return on assets over the next four years.

As part of our longer-term planning we have divided our assets into core and non-core. Our Ukrainian operations and the Rostov cluster constitute our core assets. The book value of our non-core assets amount to EUR 52 million, although we believe that their market value could well be higher.

As has been stated in previous communications we would like to strongly emphasize our aim to develop our business so as to achieve our profitability targets without resorting to Trigon Agri issuing new shares. We have managed our business with a close eye on liquidity management, which has allowed us to navigate the global financial and economic crisis without tapping the market for equity financing since May 2008.

In conclusion, I would like to re-emphasize our medium-term aims. Over the next four years we aim to:

- avoid issuing new shares
- focus our business on its core assets with a significant roll-out of irrigated farming
- achieve our declared target of a 20% return on assets
- pay off our debt so as to leave us essentially debt-free

in EUR thousand	**2008**	**2009**	**2010**	**2011**	**2012**
Milk production in Estonia and North-Western Russia	364	-155	1,401	2,284	4,033
Cereals production in Ukraine (incl storage and trading)	4,942	-2,120	2,110	11,190	8,395
Cereals production in Russia	-3,626	-5,543	-2,086	-3,803	-7,214
Consolidated EBITDA before one-off items	**1,680**	**-7,818**	**1,425**	**9,671**	**5,214**
One-off items*	-	-	-	4,386	14,266
Consolidated EBITDA	**1,680**	**-7,818**	**1,425**	**14,057**	**19,480**

* One-off items in 2012 are gain from disposal of subsidiaries, write off of Ukraine VAT liability and other receivables and advance payments. One-off item in 2011 is gain from revaluation of Investment property.

ACQUISITION OF ROSTOV CEREALS PRODUCTION CLUSTER

The Rostov transaction carried out by Trigon Agri in Q4 2012 will very significantly change the cereals production operations of the Group in Russia. The deal involved exchanging two previous production clusters of the Group in Russia, i.e. Samara (45 thousand hectares) and Stavropol (36 thousand hectares), into a new 71 thousand hectare operation in Rostov, Southern Russia.

The newly acquired operation in Rostov is very unique because it has irrigation potential, which is described further in the paragraphs below. The land is also extremely compactly laid out in two contiguous blocks with roughly 20 km radiuses each (please refer to map attached on page 6) and is very close to ports for export. Both of the latter factors provide for very low logistics costs and therefore a high profitability potential for the business.

The acquired Rostov farmland is connected to a large fresh-water reservoir, the Tsimlyanskoye water reservoir, via an existing and well-functioning canal system. The Tsimlyanskoye water reservoir is the largest fresh water resource in Southern Russia. The reservoir was created by damming the Don river, which is among the largest rivers in Russia. During the Soviet period, the canal system was built up around the Tsimlyanskoye water reservoir, which permitted the irrigation of over 400 thousand hectares of farmland in Rostov Oblast. As of today, this irrigated land area has almost entirely fallen out of use as most of the irrigation equipment was sold for scrap metal by regional farmers in the chaos of the collapse of the Soviet Union. The basic canal infrastructure, however, is remaining. This allows for the re-building of irrigated farming in the area with relatively limited costs. On the back of experience from the main corn production regions of the United States, irrigated farming provides for much higher long-term average productivity (up to a three-fold increase, please refer to the chart on page 8) compared to rain-fed farming systems. Meanwhile, in Rostov Region, it is estimated to only increase the operating expenses by roughly 25% (cost for water and electricity for pumping, according to information from Juzhgiprovodhoz Institute, a governmental body providing technical engineering studies for irrigation systems in Rostov Oblast). If similar productivity increases could be achieved as have historically been the case in US corn farming regions (i.e. according to the previously indicated cost metrics), then irrigated corn farming in Rostov Region could potentially achieve over 1,000 EUR per hectare of operating cash flow per year given the current corn prices and today's input prices (fertilizers, fuel, etc.) in Russia. Moreover, such profitability should come with much lower volatility compared to rain-fed farming (please refer to chart showing long-term standard deviation on irrigated farm-land compared to rain-fed farming in Pratt County in Kansas, US on page 8, a region with similar historical precipitation data as Rostov, Russia).

Irrigation, however, is capital intensive and is therefore not yet common in Russia. To incentivise farmers to make investments in irrigation (which longer-term will provide for much better farm profitability), the Russian government has set up a subsidy regime which allows for reclaiming up to 50% of the investment in the form of a government grant. If such government grants can be obtained, net investment required for irrigation equipment could potentially be as low as EUR 1,200 per hectare, which compares extremely well against operating profitability potential.

The newly acquired Rostov cluster of Trigon Agri has irrigation potential for around 40 thousand hectares. In addition to on-going discussions with the relevant government authorities for securing the intended water rights, Trigon Agri is currently working on a technical design project which would define the exact cost of setting up the irrigation systems on its Rostov farmland. In parallel, the management is aiming to launch a small pilot project for 270 hectares of irrigated farmland already in 2013 to get first-hand experience of how the economics of irrigation work on the newly acquired land area. The technical design to be developed allow for building up irrigation systems on the Rostov farmland of Trigon Agri in a step–by-step approach with stages. The stages will consist of blocks of around three to seven thousand hectares each. Such staging will allow Trigon Agri to structure financing needed for carrying out the investments gradually for each stage without stretching the balance sheet of the company. The management is currently aiming to set up financing structures for Trigon Agri irrigation investments in Rostov which would combine both strategic and financial partners as well as government subsidies in a way which could potentially not require any new investments into the Rostov operation by Trigon Agri itself.

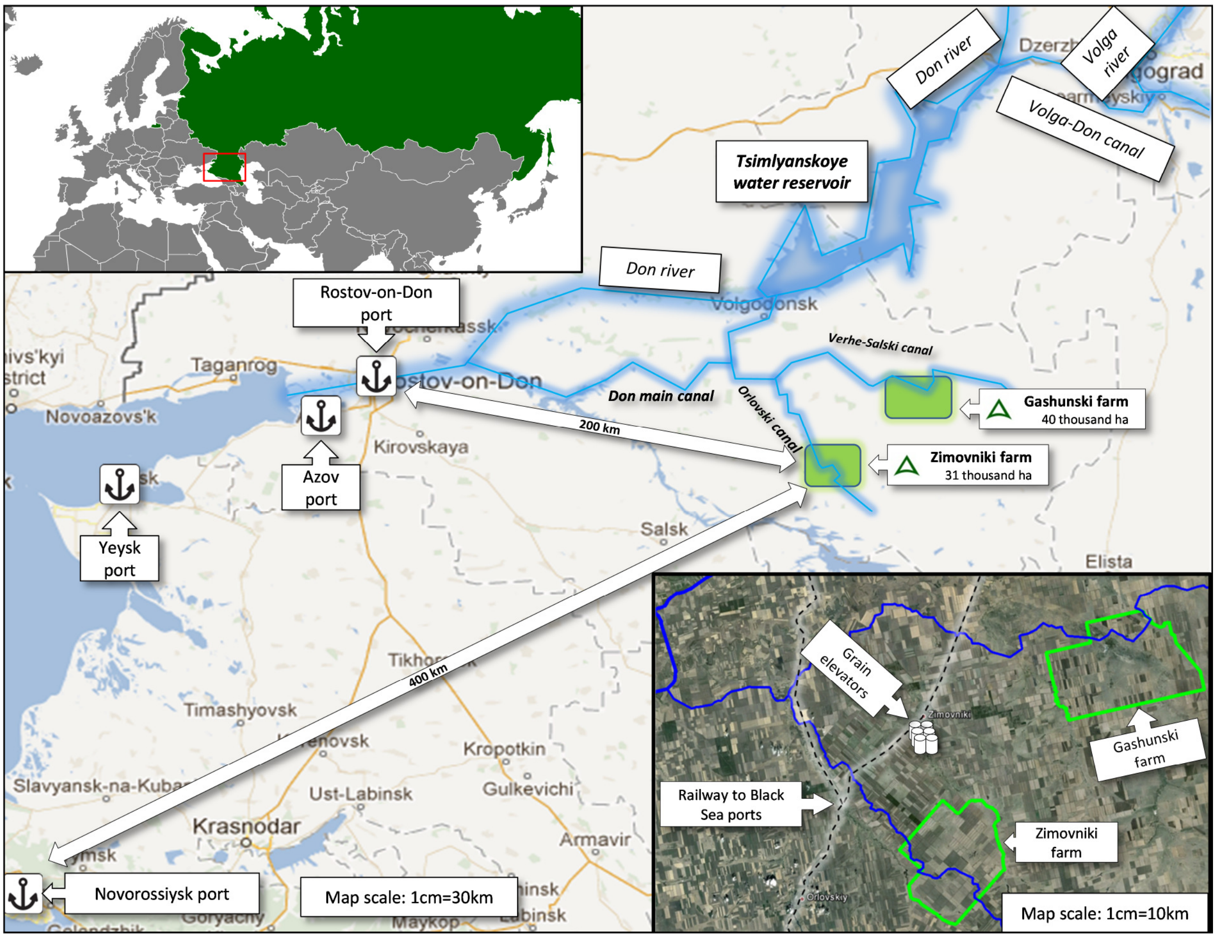
ASSET DESCRIPTION OF THE ROSTOV CLUSTER

Trigon Agri's new production cluster in Russia's Rostov oblast offers exceptional potential for consistent profitability. As outlined previously, the main competitive advantages of the newly acquired farms are:

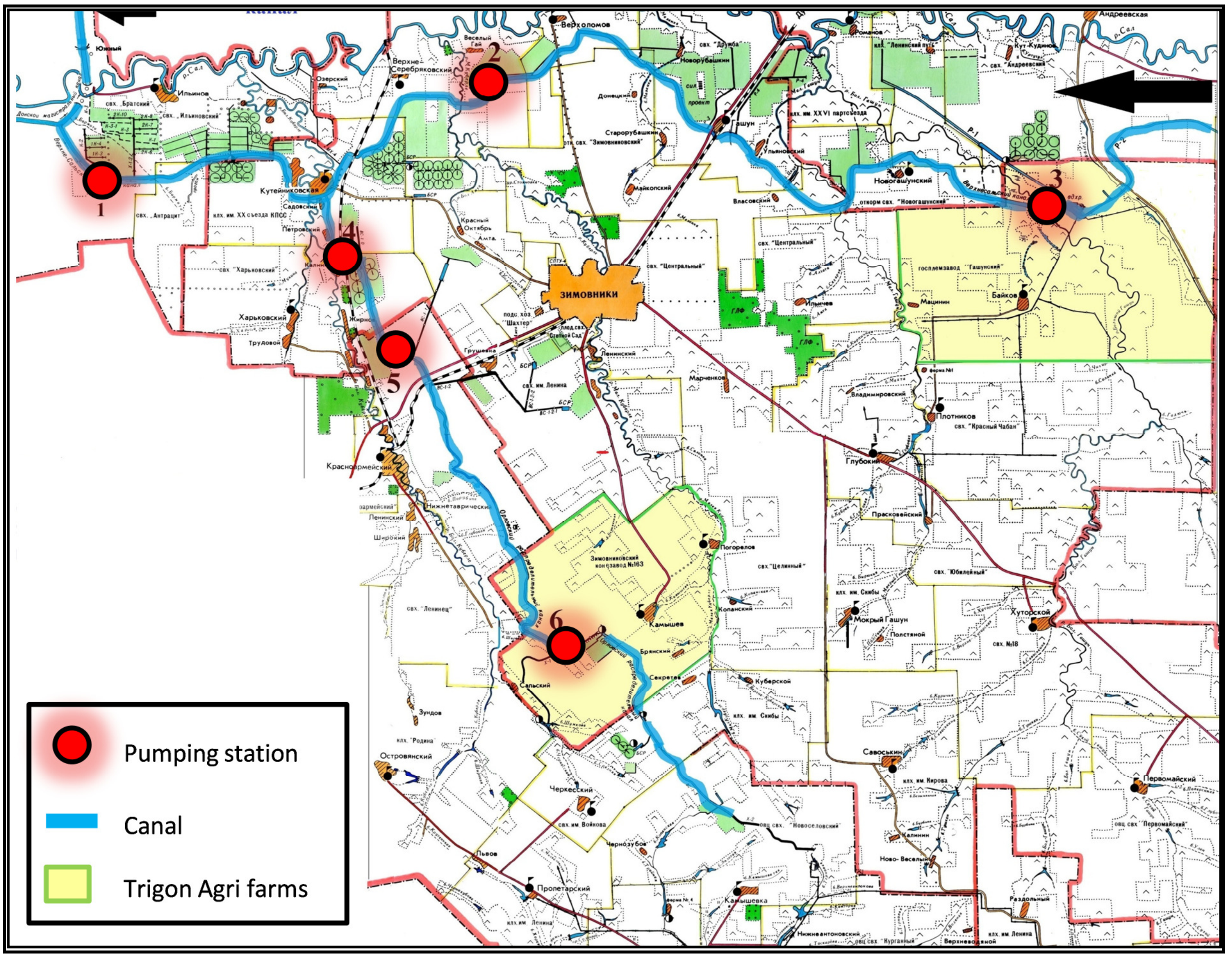
1. Proximity to export ports
2. Good historical rainfall
3. Contiguous layout of the land
4. Irrigation potential

Infrastructure put in place in the Soviet times allowed for irrigation of 400 thousand hectares of prime farmland in the Rostov oblast itself, but most of this capacity has fallen out of use since the collapse of the Soviet Union. The region's main river is the Don, which is connected to Russia's largest river, the Volga, through the Volga-Don Canal, a major waterway.

The land area of the acquired production cluster is laid out in two large contiguous blocks, forming the Gashunski and Zimovniki farms. Both farms have excellent irrigation potential, as existing canals run through the land holdings (see the map below). The two canals running through our fields (Verhe-Salski and Orlovski) draw their water from the Don River main canal (Russ. Donskoi magistralnoi kanal). This large, naturally flowing canal draws its water from the Tsimlyanskoye water reservoir (the artificial reservoir created by the damming of the Don River



Six pumping stations on the Verhe-Salski and Orlovski canals ensure water flows to nearby farms (depicted below). We are currently engaged in securing water rights for our land and have deployed a team that is conducting technical work on the ground. The outcome of these processes will determine the total amount of land we can irrigate; based on initial discussions the water rights could enable irrigation of around 40 thousand hectares.



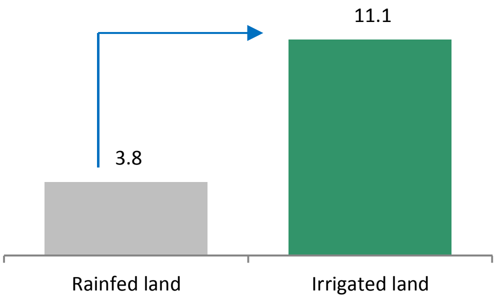

Don main canal


Don main canal

IRRIGATION EFFECTS ON PRODUCTIVITY AND YIELD VOLATILITY

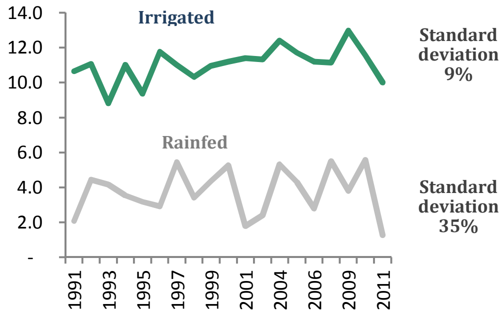
No comparative data for the Rostov region is available, but data from an area with a similar precipitation profile in the USA indicates that irrigated farming is roughly three times as productive as traditional rainfed systems. Additionally, irrigation allows for a much more predictable yield profile, as insufficient rainfall is mitigated through artificial irrigation. Based on the experience of U.S. farmers, the volatility in corn yields can be as much as four times lower for irrigated farming. Source: NASS USDA, Kansas Farm Management Association

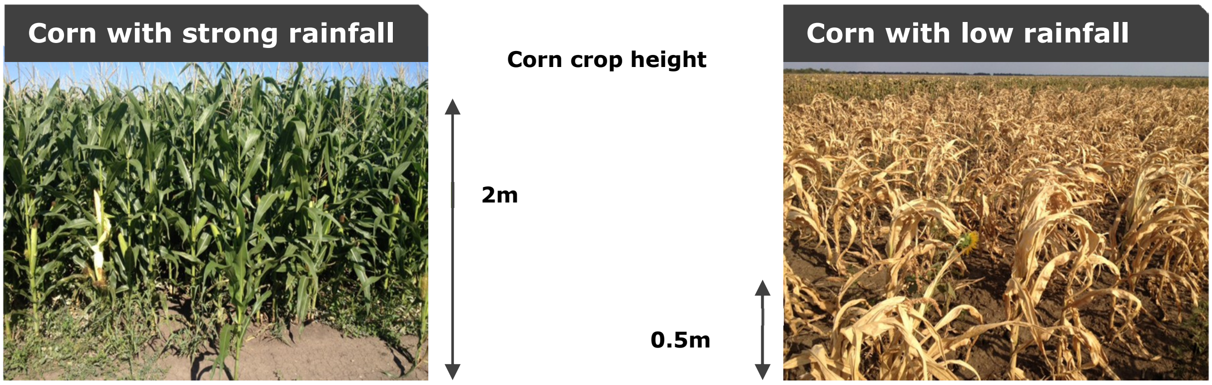
20 year average corn yields in Pratt County*, Kansas, USA



*Pratt County has a similar precipitation profile to the Rostov cluster

Corn yields in Pratt County 1991-2011 (tonnes/ha)





OVERVIEW OF TRIGON AGRI

TRIGON AGRI IS AN INTEGRATED SOFT COMMODITIES PRODUCER, STORAGE PROVIDER AND TRADER. ITS CORE OPERATIONS ARE CEREALS PRODUCTION IN ROSTOV, RUSSIA AND CEREALS PRODUCTION IN CENTRAL-EASTERN UKRAINE.

The Group has divided its assets into core and non-core.

CORE ASSETS

Core operations of the Group are:

- Cereal production in Central Eastern Ukraine
- Cereal production in Rostov, Russia.

Cereal production in Central Eastern Ukraine. The cereals production farms in Ukraine are clustered close to major population centres of Kharkov and Kirovograd in the Black Earth region of Ukraine. The proximity to urban areas, storage facilities and transport networks facilitates logistics, transport as well as access to qualified personnel.

In Ukraine the Group controls a total land bank of 52 thousand hectares under long-term land rental agreements out of which 52 thousand hectares was also cropped in 2012.

Cereal production in Rostov, Russia. The newly acquired cereal production cluster in Rostov is unique because it has irrigation potential. The total land bank of 71 thousand hectares is extremely compactly laid out in two contiguous blocks with roughly 20 km radiuses each and is very close to ports for export.

The selection of locating cereal farming operations in the Black Earth region of Russia and Ukraine is due to this region's soil fertility, which provides for some of the lowest production costs for grains and oilseeds globally and relatively low investment cost for acquiring or leasing land. The land that is contiguously located in large blocks next to required transportation and storage infrastructure, allows for taking the land into production at lowest possible operational costs. By introducing modern production technology, the Group believes that it has the ability to significantly increase efficiency and productivity of the acquired former collective farms.

The Group believes that thanks to the irrigation potential of the land in Rostov combined with its vicinity to Black Sea grain export terminals, it will provide the Group with a platform which together with the Group's profitable Ukrainian operations will allow the Group to achieve the target of a return on assets of 20% or more.

To support its cereals production operations, the Group has five operational elevators in Ukraine with a total storage capacity of 322 thousand tonnes.

To have an efficient sales set-up the Group operates its own cereals sales and trading arm. The primary purpose of this division is to maximise the sales prices received for Group's own commodities and also on a case-by-case basis engage in intermediation of third-party goods if such trading supports the sales of its own production.

NON-CORE ASSETS

Non-core operations of the Group are:

- Cereal production operations in Penza, Russia
- Milk production operations in Estonia and in the St Petersburg region of Russia.

In Penza cluster the Group currently controls a total land bank of 36 thousand hectares, out of which 15 thousand hectares was cropped in 2012. As at December 31, 2012 the book value of the Penza cluster land stood at EUR 15 million.

As at December 31, 2012 the book value of the milk production assets stood at EUR 37 million.

COMPETITIVE STRENGTHS

The Group believes that its main competitive strengths are:

HIGH-QUALITY LAND PORTFOLIO

All of the Group's land area for cereal production is located in the Black Earth region, offering some of the lowest production costs of grains and oilseeds globally.

OPTIMAL GEOGRAPHIC LOCATION WITH ACCESS TO REQUIRED INFRASTRUCTURE AND PERSONNEL

The Group's production clusters are contiguous and compact, allowing for low production logistics costs, and are located close to regional population centres providing access to required infrastructure and personnel.

SOME OF THE LOWEST PRODUCTION COSTS IN ITS REGION

Due to high potential for economies of scale from land concentration and high-capacity Western manufactured machinery, the Group obtains some of the lowest production costs in the Black Earth region where many competitors are substantially smaller in size and rely on out-dated Soviet-era machinery.

EFFICIENT APPLICATION OF MODERN AGRICULTURAL KNOW-HOW IN THE FORMER SOVIET UNION SETTING

The Western training and Russian language skills of its key management in combination with their knowledge of the post-Soviet environment allows the Group to implement modern agricultural know-how efficiently in the former Soviet Union setting.

INTEGRATED BUSINESS MODEL WITH ACCESS TO GRAIN ELEVATORS AND TRADING EXPERTISE

The Group either already owns or is in the process of building its own elevator storage facilities at each cluster which strengthens independence of regional traders and storage providers. The Group's sales and trading business allows the Group to obtain best available prices for its commodities through the execution of deliveries both domestically as well as to export markets. Further, it allows the Group to combine its own goods with third-party commodities thereby increasing sale volumes and average prices achieved.

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State-of-the-art equipment base

GOALS

The Company has formulated a comprehensive goal and a set of four-year goals.

COMPREHENSIVE GOAL

Trigon Agri as a commodity producer is a price taker and, thus, revenues are highly dependent on market prices for the commodities it produces. Although the Group can to some extent manage its revenues through choosing the timing for the sale of its commodities (the Group owns elevator storage capacity which allows it to store its produce over longer time periods), the main operational focus of the Group is on cost management. Therefore, the Group's operational goal is to produce its commodities at the lowest possible price per tonne. This is planned to be achieved through continuous improvements of the efficiency in its production operations.

2013 OUTLOOK

In 2013 operating season the Group is expecting to harvest the cereals production area of approximately 79 thousand hectares, 9% less than in previous year due to newly acquired Rostov cluster that was acquired in exchange for its Samara and Stavropol cluster.

FOUR-YEAR GOALS

Over the next four years Trigon Agri aims to:

- Avoid issuing new shares
- Focus the business on its core assets with a significant roll-out of irrigated farming
- Achieve target of a 20% return on assets
- Pay off debt so as to leave us essentially debt-free

HISTORY

2006

Trigon Agri was established in May 2006 by the asset management company Trigon Capital. The initially committed start-up capital of EUR 20 million was raised from Trigon Capital and primarily Finnish high net worth individuals. Trigon Capital remains a non-controlling shareholder in the Group while its wholly-owned subsidiary Trigon Agri Advisors provides management services to the Group.

With the start-up capital raised, the Group made its first investments in farming companies in 2006 by acquiring cereal farming operations in eastern Ukraine nearby the city of Kharkov. The acquisitions marked the establishment of the first production cluster of the Group. The Group's dairy farms were acquired during the second half of 2006. Since the St Petersburg farm was of greenfield character, commercial milk production did not start until April 2008.

2007

On May, 17 2007, Trigon Agri completed a private placing of shares to institutional investors and high net worth individuals in several European Union member states and in the United States securing approximately EUR 50 million, before issue costs. Following the private placing, the Group's shares were listed on the NASDAQ OMX First North alternative stock exchange in Stockholm on 18 May 2007.

With the capital raised in 2007, the Group continued the expansion of its cereal farming in Kharkov and made the first investments into railroad connected large storage facilities (elevators) pursuing its strategy of building an integrated production, storage and trading operation.

2008

During the first quarter of 2008, the Group also established a second production cluster nearby the city of Kirovograd in Ukraine, and two further clusters nearby the cities of Samara and Penza in Russia. After the set-up of operations in three additional cereal production clusters in the Black Earth region, the Group had by the middle of 2008 established a strong platform for cereal production, storage and trading throughout the Black Earth regions of Ukraine and Russia.

On April, 7 2008, Trigon Agri entered into an agreement with Rambsurs Group, a leading Ukrainian commodities trading group, for the establishment of the joint venture company Ramburs Trigon. The joint venture handled sales and trading activities as well as the management of the cereal storage operations of the Group.

On May, 6 2008, Trigon Agri completed a further follow-on capital raising of EUR 105 million to fund the expansion of its operations in the Black Earth regions of Ukraine and Russia. The funds raised from the placing were intended for financing investment programmes in the existing production clusters.

2009

In late 2009, the Group acquired the fifth operational cereal cluster in Stavropol, Russia.

Additionally, the Group acquired a brownfield elevator site next to its farming operations in the Penza region and increased its freehold ownership of land in Russia to 80,276 hectares.

In December 2009, the Group signed an agreement to acquire a brownfield elevator site next to its farming operations in the Stavropol region.

2010

In August 2010, the Group acquired the non-controlling share of Ramburs Trigon, thereby fully taking over the operations of its sales and trading joint venture.

Since December 8, 2010 the shares of Trigon Agri A/S are listed on main market of Small Cap segment on NASDAQ OMX Stockholm.

2011

In 2Q 2011 Trigon Agri concluded a four-year bond issue in amount of SEK 350 million with an annual interest rate of 11%.

Since December 14, 2011 the bonds of Trigon Agri are listed on the Corporate Bond List of NASDAQ OMX Stockholm.

2012

In April 2012 the Group finalized acquisition of Estonian dairy farm AS Väätsa Agro, the largest milk production farm in Estonia in terms of milk quota. At the time of the acquisition the company farmed 4,160 hectares of farmland and had 3,386 dairy animals, including 1,685 milking cows.

In 4Q 2012 Trigon Agri carried out a land-swap transaction in Russia involving the acquisition of a new 71 thousand hectares production cluster in Rostov Oblast in exchange for its two current Russian production clusters in Samara and Stavropol.

1Q 2013

As part of the Group's longer-term planning the Group divided its assets into core and non-core with focus on core assets. The core assets of the Group are cereals production operations in Ukraine and cereals production operations in the Rostov cluster in Russia. The non-core assets of the Group are cereals production operations in Penza, Russia and milk production operations in St Petersburg region in Russia and in Estonia.

FINANCIAL AND OPERATIONAL REVIEW

INCOME STATEMENT

The Group´s 2012 financial result was very much influenced by the extreme drought conditions in the southern parts of Russia and Ukraine, ruining almost 40% of the Group´s harvested area. This decline was partly compensated by the higher cereals sales prices, though the Group still lost almost one third of the initially targeted cereals sales revenue. In spite of the extremely unfavourable weather conditions, the Group showed a continued improvement in consolidated EBITDA and Net Profit results compared to previous years.

The Group's operations are divided into the following operational segments: Cereals production in Ukraine and Russia, Milk production, Storage services and Sales and trading. Summary of the financial results by segments can be seen below. For detailed explanations on each operational segment, please refer to the further sections.

2011, in EUR thousand	**Cereals production Ukraine**	**Cereals production Russia**	**Milk production**	**Storage services**	**Sales and trading**	**Eliminations between segments**	**Total**
Revenue between segments	17,031	7,439	-	2,603	49	-27,122	-
Revenue from external customers	2,918	238	5,858	4,139	34,842	-	47,995
Total segment revenue	**19,949**	**7,677**	**5,858**	**6,742**	**34,891**	**-27,122**	**47,995**
Subsidies	23	123	1,127	-	-	-	1,273
Other income	700	275	143	127	2,105	-1,960	1,390
Change in biol.assets	377	-198	94	-	-	-	273
TOTAL income	**21,049**	**7,877**	**7,222**	**6,869**	**36,996**	**-29,082**	**50,931**
Change in inventories	13,835	4,603	1,974	-1	-264	2	20,149
Cost of purchased goods	-487	-1,427	-22	-125	-34,488	25,843	-10,706
OPEX	-24,014	-14,733	-6,705	-5,417	-2,562	3,237	-50,194
Gain from bargain purchase	-	-	-	-	-	-	-
Other (losses)/gains – net	-137	-123	-185	-46	-18	-	-509
EBITDA before one-off items	**10,246**	**-3,803**	**2,284**	**1,280**	**-336**	**-**	**9,671**
One-off items*	-	4,386	-	-	-	-	4,386
EBITDA	**10,246**	**583**	**2,284**	**1,280**	**-336**	**-**	**14,057**

*One-off item in 2011 is gain from revaluation of Investment property.

2012, in EUR thousand	Cereals production Ukraine	Cereals production Russia	Milk production	Storage services	Sales and trading	Eliminations between segments	Total
Revenue between segments	30,441	10,206	2	2,188	5,724	-48,561	-
Revenue from external customers	2,658	429	9,848	3,574	56,808	-	73,317
Total segment revenue	**33,099**	**10,635**	**9,850**	**5,762**	**62,532**	**-48,561**	**73,317**
Subsidies	1	197	2,176	-	-	-	2,374
Other income	245	205	17	22	84	-4	569
Change in biol.assets	130	-356	572	-	-	-	346
TOTAL income	**33,475**	**10,681**	**12,615**	**5,784**	**62,616**	**-48,565**	**76,606**
Change in inventories	-4,069	-4,257	3,531	-	306	889	-3,600
Cost of purchased goods	-4	-133	-72	-11	-59,277	45,332	-14,165
OPEX	-27,254	-13,790	-13,753	-4,987	-3,192	2,341	-60,635
Gain from bargain purchase	-	-	1,734	-	-	-	1,734
Other (losses)/gains – net	5,039	285	-22	-24	-7	3	5,274
EBITDA before one-off items	**7,187**	**-7,214**	**4,033**	**762**	**446**	**-**	**5,214**
One-off items*	-1,759	16,542	-	-345	-172		14,266
EBITDA	**5,428**	**9,328**	**4,033**	**417**	**274**	**-**	**19,480**

* One-off items in 2012 are gain from disposal of subsidiaries, write off of Ukraine VAT liability and other receivables and advance payments.

BALANCE SHEET

ASSETS

The consolidated assets of the Group as of December 31, 2012 amounted to EUR 210,100 thousand (EUR 194,360 thousand at December 31, 2011).

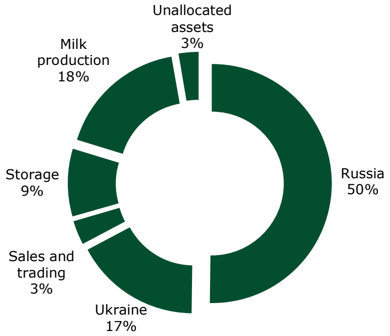
The total land under control as at December 31, 2012 stood at 170 thousand hectares.

Land under control, hectares	**31.12.2011**	**31.12.2012**
Cereal production Ukraine		
Land under rental agreements	53,294	52,030
Total Cereal production Ukraine	**53,294**	**52,030**
Cereal production Russia		
Land in ownership*	111,291	107,260
Land under rental agreements	3,668	-
Land in ownership acquisition process	3,949	-
Total Cereal production Russia	**118,908**	**107,260**
Milk production Russia		
Land in ownership	1,263	1,991
Land under rental agreements	-	500
Total Milk production Russia	**1,263**	**2,491**
Milk production Estonia		
Land in ownership*	2,233	4,516
Land under rental agreements	1,193	3,513
Total Milk production Estonia	**3,426**	**8,030**
Total		
Land in ownership**	114,787	113,767
Land under rental agreements	58,155	56,044
Land in ownership acquisition process	3,949	-
Total	**176,891**	**169,811**

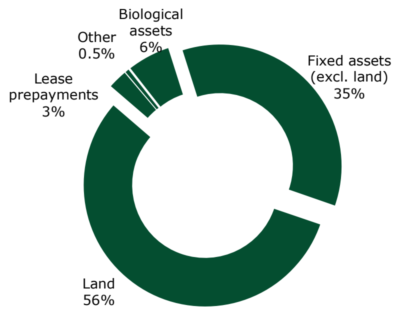
*including pending the receipt of the land ownership certificates

**including usufruct agreements in Estonia

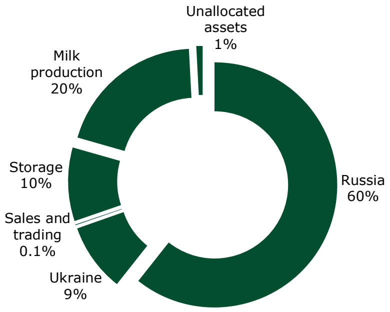
TOTAL ASSETS BY SEGMENTS 31.12.2012



NON-CURRENT ASSETS BREAKDOWN 31.12.2012



NON-CURRENT ASSETS BY SEGMENTS 31.12.2012



Unallocated assets of the Group include cash and other assets in Group holding companies that are not possible to allocate between segments.

NET DEBT AND LIQUIDITY POSITION

The Group has sufficient liquidity for the upcoming spring seeding and harvesting season, having sufficient funds of its own combined with working capital lines from banks.

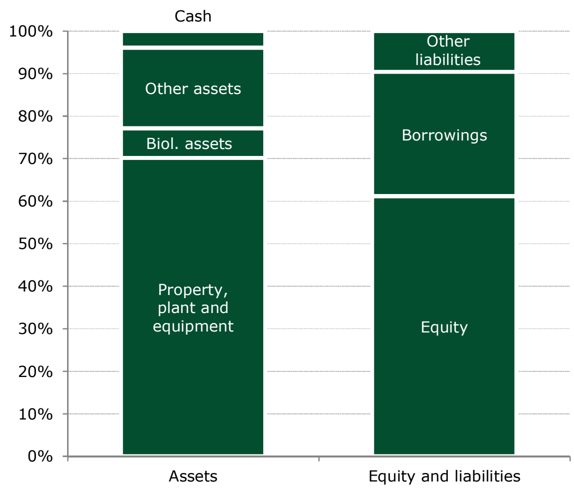
The total borrowings of the Group as of December 31, 2012 amounted to EUR 61,357 thousand compared to EUR 59,747 thousand as at December 31, 2011. The increase in borrowings was mainly related to an increase in the EUR value of the SEK-nominated bond liability taken by the parent company of the Group, due to changes in EUR-SEK currency exchange rates. Other total borrowings taken by the Group´s subsidiaries remained on the same level.

The net debt of the Group as of December 31, 2012 amounted to EUR 53,167 thousand (EUR 40,434 thousand as at December 31, 2011).

INVESTMENTS

In 2012 the total investment cash flow of the Group amounted to EUR 19,249 thousand (EUR 20,473 thousand in 2011). Out of that, EUR 6,676 thousand was related to the Väätsa dairy farm acquisition. Cash outflow from disposal of subsidiaries in amount of EUR 49 thousand was related to swapping Samara and Stavropol clusters to Rostov cluster in Russia (i.e. EUR 49 thousand was the cash balance of the Group companies that were disposed). Investments in property, plant and equipment were related to the investments into cereals production, milk production and storage services activities in Ukraine, Russia and Estonia. Purchase of intangible assets in the amount of EUR 448 thousand was related to investments in accounting and consolidation software. Short-term loans given were related to the financing of new Rostov cluster autumn works. Starting from December 2012 these loans are treated as intragroup borrowings, as the Rostov cluster entities are now owned by Trigon Agri Group.

BALANCE SHEET STRUCTURE 31.12.2012



Cash flows from investing activities, EUR thousand	2011	2012
Acquisition of subsidiary, net of cash acquired	-2,208	-6,676
Cash outflow from disposal of subsidiaries	-	-49
Purchase of biological assets	-496	-
Purchase of property, plant and equipment	-12,087	-10,660
Purchase of intangible assets	-	-448
Proceeds from sales of property, plant and equipment	318	66
Short-term loans given, net	-6,000	-1,482
Net cash used in investing activities	**-20,473**	**-19,249**

CEREAL PRODUCTION

The Group has its cereals production operations in the Black Earth region in Kharkov, Nikolaev and Kirovograd in Ukraine and Penza and Stavropol (till 2012) in Russia.

2012 was a challenging year for the Group´s Cereals production operations due to the severe drought and heat conditions experienced in the Group's Stavropol production cluster in Russia and Nikolaev production cluster in Ukraine. The areas affected by the severe drought in 2012 constituted almost 40% of the total harvested area of the Group. Due to this it was impossible for the Group to achieve significant improvement in the Cereals production segment financial results, but still, compared to the previous periods there has been improvement in the total Cereals production segment EBITDA.

CEREAL PRODUCTION FINANCIAL REVIEW

In Cereal production segments the revenue is made up primarily from sales of cereals to the Group's Sales and trading segment. Sales and trading division in turn sells the cereals to third parties.

In 2012 Cereal production segment revenue was EUR 43,734 thousand (EUR 27,626 thousand in 2011). Out of that, sales of cereals was EUR 43,004 thousand (EUR 24,268 thousand in 2011). Meanwhile, net changes in inventory in 2012 amounted to a negative amount of EUR 8,326 thousand (positive change of EUR 18,438 thousand in 2011) as in 2012 the Group sold more cereals than it produced during that period (in 2011 a substantial part of the year's harvest was retained as year-end inventory and it was sold during 2012). Therefore, the 2012 net changes in inventories were negative and revenue from sales of cereals larger than in 2011. For details on cereals sales prices, sold quantities, and period-end agricultural produce available for sale in cereals production segments please refer to the included tables.

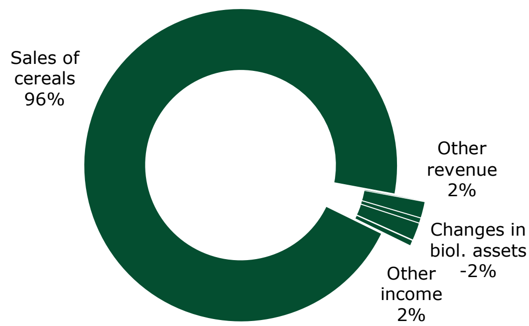
Other revenue earned by the cereals production segments during the reporting period was made up primarily from sales of services and other produce such as animal feed.

Government subsidies stood at EUR 198 thousand in 2012 (EUR 146 thousand in 2011).

Other income stood at EUR 450 thousand in 2012 (EUR 975 thousand in 2011).

Gains arising from changes in biological assets in 2012 amounted to a negative amount of EUR 226 thousand (positive amount of EUR 179 thousand in 2011).

CEREALS PRODUCTION SEGMENTS INCOME 2012



Revenue breakdown: Total cereal production segment

	2011			2012		
	Tonnes	Price EUR/t	Revenue, EUR thousand	Tonnes	Price EUR/t	Revenue, EUR thousand
Wheat	93,371	117	10,953	94,006	145	13,654
Barley	2,591	115	298	15,686	156	2,454
Sunflower	27,728	240	6,652	38,030	308	11,722
Corn	23,406	153	3,584	40,692	145	5,881
Rapeseed	8,453	242	2,045	12,604	362	4,567
Soya	1,109	241	267	11,725	307	3,602
Other	10,168	46	469	32,703	34	1,125
Total	**166,826**	**145**	**24,268**	**245,446**	**175**	**43,004**

Revenue breakdown: Ukraine cereals production segment

	2011			2012		
	Tonnes	Price EUR/t	Revenue, EUR thousand	Tonnes	Price EUR/t	Revenue, EUR thousand
Wheat	60,816	119	7,232	80,919	144	11,692
Barley	2,305	121	279	4,407	139	611
Sunflower	17,222	281	4,835	20,184	341	6,879
Corn	23,406	153	3,584	40,692	145	5,881
Rapeseed	4,562	336	1,533	8,693	367	3,191
Soya	902	263	237	10,772	316	3,408
Other	9,776	44	428	32,182	33	1,077
Total	**118,988**	**152**	**18,128**	**197,849**	**165**	**32,739**

Revenue breakdown: Russia cereals production segment

	2011			2012		
	Tonnes	Price EUR/t	Revenue, EUR thousand	Tonnes	Price EUR/t	Revenue, EUR thousand
Wheat	32,555	114	3,720	13,087	150	1,962
Barley	286	67	19	11,279	163	1,843
Sunflower	10,507	173	1,817	17,846	271	4,843
Corn	-	-	-	-	-	-
Rapeseed	3,892	132	512	3,911	352	1,376
Soya	206	146	30	953	203	194
Other	392	105	41	521	92	48
Total	**47,837**	**128**	**6,141**	**47,596**	**216**	**10,265**

Own produced grain available for sale in stock in Cereals production segments 31.12.2011

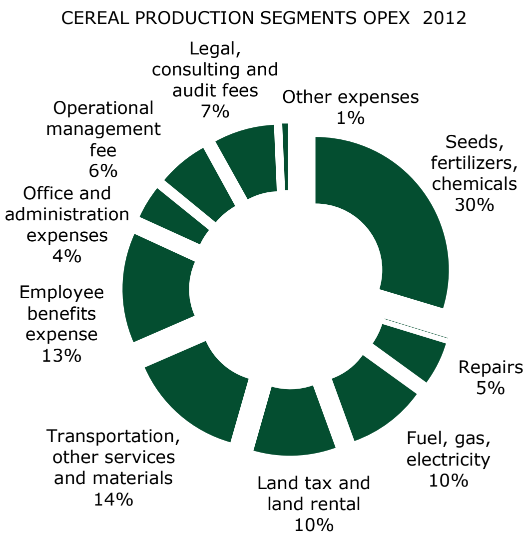
	Ukraine			Russia			Total		
	Tonnes	Value, EUR thsd	Average price, EUR/t	Tonnes	Value, EUR thsd	Average price, EUR/t	Tonnes	Value, EUR thsd	Average price, EUR/t
Wheat	19,928	2,794	140	5,314	732	138	25,242	3,526	140
Barley	3,856	517	134	1,274	160	126	5,130	677	132
Sunflower	12,762	3,956	310	8,893	2,419	272	21,655	6,375	294
Corn	20,525	2,925	143	-	-	-	20,525	2,925	143
Rapeseed	81	26	320	77	24	312	158	50	316
Soya	8,469	2,185	258	954	260	272	9,423	2,445	259
Rye	10	1	104	130	12	92	140	13	93
Other	2,174	168	77	36	4	112	2,210	172	78
Total	**67,805**	**12,572**	**185**	**16,678**	**3,611**	**216**	**84,483**	**16,183**	**192**

Own produced grain available for sale in stock in Cereals production segments 31.12.2012

	Ukraine			Russia			Total		
	Tonnes	Value, EUR thsd	Average price, EUR/t	Tonnes	Value, EUR thsd	Average price, EUR/t	Tonnes	Value, EUR thsd	Average price, EUR/t
Wheat	413	71	172	70	17	243	483	88	182
Barley	653	105	161	-	-	-	653	105	161
Sunflower	12,743	5,089	399	840	323	385	13,583	5,412	398
Corn	18,669	2,868	154	-	-	-	18,669	2,868	154
Rapeseed	41	12	295	67	24	360	107	36	336
Soya	3,742	1,317	352	-	-	-	3,742	1,317	352
Rye	-	-	-	-	-	-	-	-	-
Other	2,300	132	57	13	2	157	2,313	134	58
Total	**38,561**	**9,594**	**249**	**989**	**366**	**370**	**39,550**	**9,960**	**252**

Operating expenses breakdown, EUR thousand	2011 Cereals production Ukraine	2011 Cereals production Russia	2011 Total cereals production	2012 Cereals production Ukraine	2012 Cereals production Russia	2012 Total cereals production
Seeds, fertilizers, chemicals	-8,257	-4,500	-12,757	-7,813	-4,372	-12,185
Animal feed	-214	-	-214	-23	-	-23
Repairs	-890	-785	-1,675	-1,255	-891	-2,146
Fuel, gas, electricity	-2,772	-1,062	-3,834	-2,742	-1,148	-3,890
Land tax and land rental	-1,957	-328	-2,285	-3,767	-332	-4,099
Transportation, other services and materials	-3,386	-2,001	-5,387	-3,558	-2,209	-5,767
Employee benefits expense	-3,099	-2,455	-5,554	-3,599	-1,877	-5,476
Office and administration expenses	-761	-888	-1,649	-1,030	-628	-1,658
Operational management fee	-1,284	-1,078	-2,362	-1,503	-998	-2,501
Legal, consulting and audit fees	-952	-788	-1,740	-1,791	-1,214	-3,005
Other expenses	-442	-848	-1,290	-173	-121	-294
Total expenses	**-24,014**	**-14,733**	**-38,747**	**-27,254**	**-13,790**	**-41,044**

In cereals production clusters in Ukraine and Russia the total operating expenses in 2012 increased by 6%. For operating expenses breakdown by segments please refer to the included table.



In Cereals production in Ukraine the EBITDA in 2012 stood at EUR 5,428 thousand (EUR 10,246 thousand in 2011). Excluding one-off items, the EBITDA in Ukraine cereals production in 2012 stood at EUR 7,187 thousand (EUR 10,246 thousand in 2011). One-off items were mainly related to the write-offs of Ukraine VAT receivables that were accrued from export sales during 2008–2010 and which were not returned by the Tax Authority. Despite of the on-going court proceedings to challenge the refusal of the Tax Authority, these prepayments were written off in 4Q 2012. The decrease in Ukraine cereals production EBITDA excluding one-off items was mainly related to the shortfall in gross harvest in 2012 compared to 2011 due to severe drought and extreme heat conditions in the Group's Nikolaev production cluster.

In Cereals production in Russia the EBITDA in 2012 stood at EUR 9,328 (EUR 583 thousand in 2011).

The positive EBITDA result was related to the profit from one-off items in the amount of EUR 16,542 thousand in 2012 (EUR 4,386 thousand in 2011). Out of that one-off profit(as a difference between fair value and carrying value of its disposed assets) in the amount of EUR 18,052 thousand arose from new Rostov cluster acquisition transaction where Trigon Agri acquired 71 thousand hectares cereals production cluster in Rostov Oblast in exchange for swapping out of its two existing Russian production clusters in Samara and Stavropol. Excluding one-off items, the EBITDA in Russia cereals production in 2012 stood at a loss of EUR 7,214 thousand (loss of EUR 3,803 thousand in 2011). The decrease in Russia cereals production EBITDA was mainly related to the shortfall in gross harvest due to severe drought in the Group's Stavropol production cluster.

For more information on the harvest results please refer to the Operational review.

in EUR thousand	2011 Cereals production Ukraine	Cereals production Russia	Total cereals production	2012 Cereals production Ukraine	Cereals production Russia	Total cereals production
Revenue between segments	17,031	7,439	24,470	30,441	10,206	40647
Revenue from external customers	2,918	238	3,156	2,658	429	3087
Total segment revenue	**19,949**	**7,677**	**27,626**	**33,099**	**10,635**	**43,734**
Subsidies	23	123	146	1	197	198
Other income	700	275	975	245	205	450
Change in biol.assets	377	-198	179	130	-356	-226
TOTAL income	**21,049**	**7,877**	**28,926**	**33,475**	**10,681**	**44,156**
Change in inventories	13,835	4,603	18,438	-4,069	-4,257	-8,326
Cost of purchased goods	-487	-1,427	-1,914	-4	-133	-137
OPEX	-24,014	-14,733	-38,747	-27,254	-13,790	-41,044
Other (losses)/gains - net	-137	-123	-260	5,039	285	5,324
EBITDA before one-off items	**10,246**	**-3,803**	**6,443**	**7,187**	**-7,214**	**-27**
One-off items*	-	4,386	4,386	-1,759	16,542	14,783
EBITDA	**10,246**	**583**	**10,829**	**5,428**	**9,328**	**14,756**

* One-off items in 2012 are gain from disposal of subsidiaries, write off of Ukraine VAT liability and other receivables and advance payments. One-off item in 2011 is gain from revaluation of Investment property.

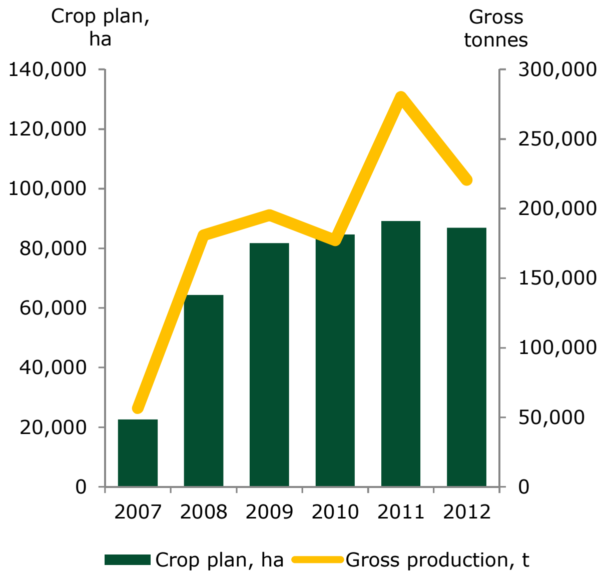
CEREALS PRODUCTION OPERATIONAL REVIEW

The total gross harvest of the Group in 2012 stood at 221 thousand tonnes, more than 20% lower than in 2011 due to the severe drought and heat conditions experienced in the Group's Stavropol production cluster in Russia and Nikolaev production cluster in Ukraine. As a result of the drought the Group lost more than half of the crop in Nikolaev and almost the entire crop in Stavropol. The areas affected by the severe drought in 2012 constituted almost 40% of the total harvested area of the Group in 2012. For details on the harvest results and crop areas please refer to the included tables.

During the fourth quarter the Group completed its autumn sowings. The total seeded area in autumn 2012 stood at 52 thousand hectares (61 thousand in 2011). The seeded area includes autumn seeding carried out in the newly acquired cereals production cluster in Rostov (Russia) (as part of the transaction, Trigon Agri took over 17 thousand hectares of 2013 winter wheat crop seeded in the Rostov cluster under the supervision of Trigon Agri's agronomy team) and excludes the autumn seeding in Stavropol, as the fieldworks carried out to date in the Stavropol cluster were passed on to the sellers of the Rostov cluster. As in previous years, the Group has taken into account that depending on weather conditions part of the winter crop fields will probably require reseeding with spring crops in 2013.

Autumn cultivations were completed on time and as at the date of the current report, land destined for spring cropping is in very good condition. During the winter months, staff was involved in machinery maintenance to ensure that all equipment is ready for the spring sowing campaign and training to ensure that resources are used to full efficiency.

CROP PRODUCTION DYNAMICS



In the Group's cereals production, the emphasis in 2012 has been on the adoption of technology to strengthen the overall control and operational efficiency of the business. This has included:

- satellite steering, which achieves precise and accurate application of seeds, fertilizers and agrochemicals;
- a comprehensive GPS telematics system for the whole machinery fleet which has enhanced both security and the efficiency of all operations;
- fields have been accurately measured using GPS which provides the electronic data required for many new applications;
- a weather station network has been established to provide live data and enable an accurate recording of on-site climatic conditions;
- the use of NDVI (Normalized Difference Vegetation Index) through satellite imagery which both gives a true 'live' indication of the Group's crops condition and enables the early identification of localised problem areas allowing for rapid response with remedial action.

All these systems, coupled with the thorough on-going training of the whole team, are part of the essential foundations necessary to ensure the business is sustainable for the future.

In 2012 the Group also carried out its pilot irrigation project in Ukraine where 70 hectares of corn and 70 hectares of soya were irrigated. Much has been learned from this small trial, which has given the Group both the experience and confidence to increase the irrigated area in future.

The Group's total crop plan, gross production and gross yield dynamics in 2007 – 2012 is presented in the tables below.

Crop plan, ha	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Wheat	7,212	25,019	38,992	34,615	35,703	33,489
Corn	2,883	5,806	3,336	3,462	4,889	6,053
Rapeseed	-	2,132	1,706	2,001	5,544	14,749
Sunflower	2,937	10,733	13,039	29,091	32,886	22,541
Soya	-	1,004	2,115	8,646	6,277	4,003
Barley	4,650	8,165	15,499	5,364	2,859	5,341
Total cereals	**22,658**	**64,414**	**81,774**	**84,618**	**88,158**	**86,176**
Sugar beet, other	-	-	-	-	969	722
Total	**22,658**	**64,414**	**81,774**	**84,618**	**89,127**	**86,898**

Gross production, t	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Wheat	21,275	78,769	94,185	89,312	131,531	78,029
Corn	15,177	30,912	20,400	14,554	50,549	44,394
Rapeseed	-	3,722	2,645	4,247	7,642	14,295
Sunflower	7,398	16,969	23,438	43,960	56,309	32,350
Soya	-	1,279	3,073	8,973	11,999	6,246
Barley	6,693	26,619	40,186	15,020	8,521	12,426
Total cereals	**56,607**	**180,907**	**195,459**	**177,162**	**266,550**	**187,740**
Sugar beet, other	-	-	-	-	13,845	32,921
Total	**56,607**	**180,907**	**195,459**	**177,162**	**280,395**	**220,661**

Gross yield, t/ha	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Wheat	2.95	3.15	2.42	2.58	3.68	2.33
Corn	5.26	5.32	6.12	4.20	10.34	7.33
Rapeseed	-	1.75	1.55	2.12	1.38	0.97
Sunflower	2.52	1.58	1.80	1.51	1.71	1.44
Soya	-	1.27	1.45	1.04	1.91	1.56
Barley	1.44	3.26	2.59	2.80	2.98	2.33
Total cereals	**2.50**	**2.81**	**2.39**	**2.09**	**3.02**	**2.18**
Sugar beet, other	-	-	-	-	14.29	45.60
Total	**2.50**	**2.81**	**2.39**	**2.09**	**3.15**	**2.54**

The Group's crop plan, gross production and gross yield dynamics breakdown by cereals production clusters in 2007 – 2012 can be seen in the following tables.

Crop plan 2011, ha	**Kharkov (Ukraine)**	**Kirovograd (Ukraine)**	**Nikolaev (Ukraine)**	**Penza (Russia)**	**Stavropol (Russia)**	**Samara (Russia)**	**Total**
Wheat	12,532	1,007	6,980	4,891	7,640	2,653	35,703
Corn	1,677	3,212	-	-	-	-	4,889
Rapeseed	2,045	-	1,806	350	1,343	-	5,544
Sunflower	7,735	-	5,380	5,302	7,734	6,735	32,886
Soya	4,177	583	44	1,252	221	-	6,277
Barley	1,310	400	304	845	-	-	2,859
Total cereals	**29,476**	**5,202**	**14,514**	**12,640**	**16,938**	**9,388**	**88,158**
Sugar beet, other	922	-	-	47	-	-	969
Total	**30,398**	**5,202**	**14,514**	**12,687**	**16,938**	**9,388**	**89,127**

Crop plan 2012, ha	**Kharkov (Ukraine)**	**Kirovograd (Ukraine)**	**Nikolaev (Ukraine)**	**Penza (Russia)**	**Stavropol (Russia)**	**Samara (Russia)**	**Total**
Wheat	16,788	106	4,310	3,170	9,115	-	33,489
Corn	14	5,272	767	-	-	-	6,053
Rapeseed	5,986	-	109	3,947	4,707	-	14,749
Sunflower	5,832	-	7,487	3,978	5,244	-	22,541
Soya	3,935	-	68	-	-	-	4,003
Barley	-	56	1,010	4,275	-	-	5,341
Total cereals	**32,555**	**5,434**	**13,751**	**15,370**	**19,066**	-	**86,176**
Sugar beet, other	722	-	-	-	-	-	722
Total	**33,277**	**5,434**	**13,751**	**15,370**	**19,066**	-	**86,898**

Gross production 2011, t	**Kharkov (Ukraine)**	**Kirovograd (Ukraine)**	**Nikolaev (Ukraine)**	**Penza (Russia)**	**Stavropol (Russia)**	**Samara (Russia)**	**Total**
Wheat	58,994	4,962	24,922	12,100	25,524	5,028	131,531
Corn	13,464	37,085	-	-	-	-	50,549
Rapeseed	3,099	-	2,408	336	1,797	-	7,642
Sunflower	22,847	-	9,123	7,027	8,395	8,917	56,309
Soya	9,255	1,135	16	1,511	82	-	11,999
Barley	3,879	1,541	1,202	1,899	-	-	8,521
Total cereals	**111,537**	**44,723**	**37,671**	**22,874**	**35,799**	**13,945**	**266,550**
Sugar beet, other	13,795	**-**	**-**	**50**	**-**	**-**	13,845
Total	**125,332**	**44,723**	**37,671**	**22,924**	**35,799**	**13,945**	**280,395**

Gross production 2012, t	**Kharkov (Ukraine)**	**Kirovograd (Ukraine)**	**Nikolaev (Ukraine)**	**Penza (Russia)**	**Stavropol (Russia)**	**Samara (Russia)**	**Total**
Wheat	62,714	230	4,388	6,433	4,263	-	78,029
Corn	57	42,317	2,020	-	-	-	44,394
Rapeseed	9,651	-	68	3,567	1,010	-	14,295
Sunflower	15,943	-	6,138	7,409	2,861	-	32,350
Soya	6,182	-	64	-	-	-	6,246
Barley	-	201	1,343	10,882	-	-	12,426
Total cereals	**94,547**	**42,747**	**14,020**	**28,291**	**8,134**	-	**187,740**
Sugar beet, other	32,921	-	-	-	-	-	32,921
Total	**127,468**	**42,747**	**14,020**	**28,291**	**8,134**	-	**220,661**

	Kharkov (Ukraine)						Kirovograd (Ukraine)				
Gross yield, t/ha	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2008**	**2009**	**2010**	**2011**	**2012**
Winter wheat	2.95	5.66	4.14	3.85	4.71	3.74	3.61	5.26	4.94	4.93	2.17
Corn	5.26	6.24	5.78	2.22	8.03	4.07	5.33	7.98	7.67	11.55	8.03
Winter rapeseed	-	-	-	3.01	1.52	1.61	2.13	2.43	1.70	-	-
Sunflower	2.52	2.74	2.71	1.86	2.95	2.73	2.04	2.36	2.14	-	-
Soya	-	1.30	1.40	0.99	2.22	1.57	1.02	1.91	1.47	1.95	-

	Nikolaev (Ukraine)					Penza (Russia)				
Gross yield, t/ha	**2008**	**2009**	**2010**	**2011**	**2012**	**2008**	**2009**	**2010**	**2011**	**2012**
Winter wheat	3.43	3.59	3.52	3.57	1.02	1.86	3.00	2.24	2.47	2.03
Corn	-	-	-	-	2.63	-	-	-	-	-
Winter rapeseed	1.61	1.35	2.37	1.33	0.62	-	-	-	0.96	0.90
Sunflower	1.49	1.47	2.15	1.70	0.82	0.56	0.91	1.08	1.33	1.86
Soya	-	-	1.56	0.35	0.94	-	-	0.38	1.21	-

	Samara (Russia)					Stavropol				
Gross yield, t/ha	**2008**	**2009**	**2010**	**2011**	**2012**	**2008**	**2009**	**2010**	**2011**	**2012**
Winter wheat	1.38	1.37	1.51	1.90	-	-	-	2.56	3.34	0.47
Corn	1.39	3.58	-	-	-	-	-	-	-	-
Winter rapeseed	-	-	-	-	-	-	-	-	1.34	0.21
Sunflower	0.76	1.30	0.90	1.32	-	-	-	1.28	1.09	0.55
Soya	-	-	0.39	-	-	-	-	0.42	0.37	-

Trigon Agri harvesting barley in Penza (Russia) in August, 2012

MILK PRODUCTION

The Group's milk production operations are located in Estonia and in the St Petersburg region of Russia. In Q2 2012, the Group acquired a new development asset in Estonia, the Väätsa farm, which is now consolidated in the financial statements of the Group since April, 2012.

MILK PRODUCTION FINANCIAL REVIEW

In 2012, the Milk production segment financial result was affected by the acquisition of the Väätsa farm in 2Q 2012, which significantly influenced both revenues and expenses compared to the same period in previous year.

The total Milk production segment revenue in 2012 stood at EUR 9,850 thousand (EUR 5,858 thousand in 2011). Out of the total revenues in 2012, sales of milk stood at EUR 8,362 thousand (EUR 5,111 thousand in 2011). Other revenues were related to the sales of meat, services and other produce.

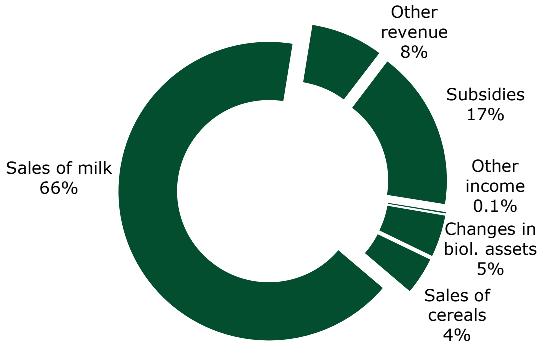
In 2012, Subsidies amounted to EUR 2,176 thousand (EUR 1,127 thousand in 2011) and Other income EUR 17 thousand (EUR 143 thousand in 2011). The Change in biological assets was in the amount of EUR 572 thousand in 2012 (EUR 94 thousand in 2011) and Change in inventories in the amount of EUR 3,531 thousand in 2012 (EUR 1,974 thousand in 2011).

In 2012, operating expenses stood at EUR 13,753 thousand (EUR 6,705 thousand in 2011), more than in the previous year mainly due to Väätsa acquisition. In addition, the increase in animal feed expenses was also related to an increase in animal feed prices.

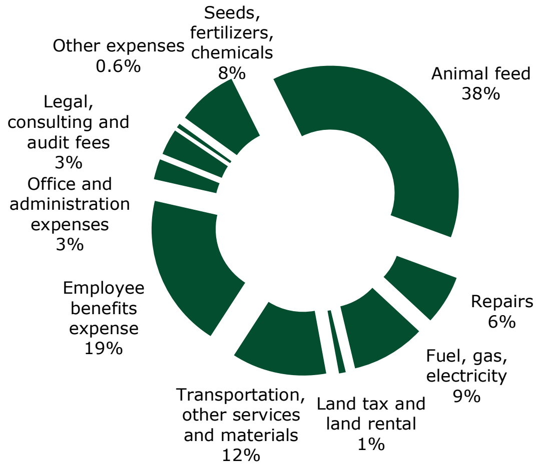
In relation to the acquisition of the Väätsa farm in 2Q 2012, the Group has recorded a Gain from bargain purchase in the amount of 1,734 during 2012. This one-off item reflects the difference between the net value of the acquired assets and the purchase price of Väätsa farm.

In the milk production segment of the Group the EBITDA in 2012 was EUR 4,033 thousand (EUR 2,284 thousand in 2011).

MILK PRODUCTION SEGMENT INCOME 2012



MILK PRODUCTION SEGMENT OPEX 2012



Operating expenses breakdown, EUR thousand	**2011**	**2012**
Seeds, fertilizers, chemicals	-292	-1,049
Animal feed	-2,969	-5,226
Repairs	-405	-867
Fuel, gas, electricity	-555	-1,284
Land tax and land rental	-44	-117
Transportation, other services and materials	-700	-1,646
Employee benefits expense	-1,352	-2,678
Office and administration expenses	-188	-355
Operational management fee	-	-
Legal, consulting and audit fees	9	-455
Other expenses	-209	-76
Total expenses	**-6,705**	**-13,753**

in EUR thousand	2011	2012
Revenue between segments	-	2
Revenue from external customers	5,858	9,848
Total segment revenue	**5,858**	**9,850**
Subsidies	1,127	2,176
Other income	143	17
Change in biol.assets	94	572
TOTAL income	**7,222**	**12,615**
Change in inventories	1,974	3,531
Cost of purchased goods	-22	-72
OPEX	-6,705	-13,753
Gain from bargain purchase	-	1,734
Other (losses)/gains - net	-185	-22
EBITDA	**2,284**	**4,033**

MILK PRODUCTION OPERATIONAL REVIEW

In 2012, the Group's Milk production segment produced a total of 27,449 tonnes of milk (15,932 tonnes in 2011), i.e. 1.7 times more than in 2011 due to the addition of the Väätsa farm operations in 2Q 2012 and also due to an increase in productivity in the existing farms.

The average number of milking cows increased in 2012 to 3,453 cows compared to 1,988 in 2011. As at December 31, 2012, the number of milking cows stood at 3,944.

Trigon Agri dairy farm in Estonia

CEREALS STORAGE SERVICES

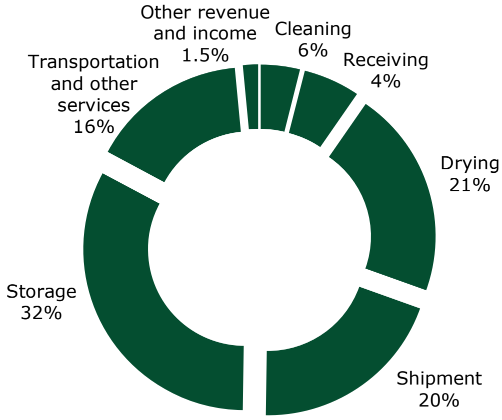
The Group has cereals storage elevators to support its cereals production operations. Currently the Group has five operational elevators in Ukraine with a total storage capacity of 322 thousand tonnes and a development site in Russia.

STORAGE SERVICES FINANCIAL REVIEW

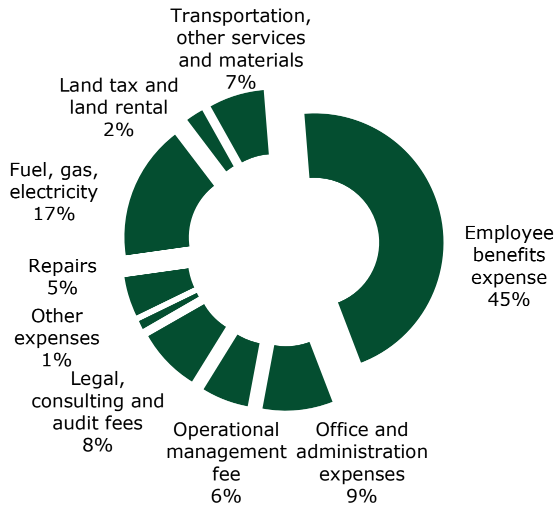
The total revenues of the Storage services segment stood at EUR 5,762 thousand in 2012 (EUR 6,742 thousand in 2011). Out of that, EUR 5,747 thousand was revenue from elevator services (EUR 6,148 thousand in 2011). The 7% decrease compared to the previous year was due to lower volumes handled.

Lower volumes handled in turn decreased total expenses by 8% in 2012 compared to the previous year.

STORAGE SERVICES SEGMENT INCOME 2012



STORAGE SERVICES SEGMENT OPEX 2012



Operating expenses breakdown, EUR thousand	**2011**	**2012**
Repairs	-236	-248
Fuel, gas, electricity	-1,242	-842
Land tax and land rental	-	-110
Transportation, other services and materials	-431	-345
Employee benefits expense	-2,004	-2,262
Office and administration expenses	-288	-440
Operational management fee	-278	-294
Legal, consulting and audit fees	-276	-392
Other expenses	-662	-54
Total expenses	**-5,417**	**-4,987**

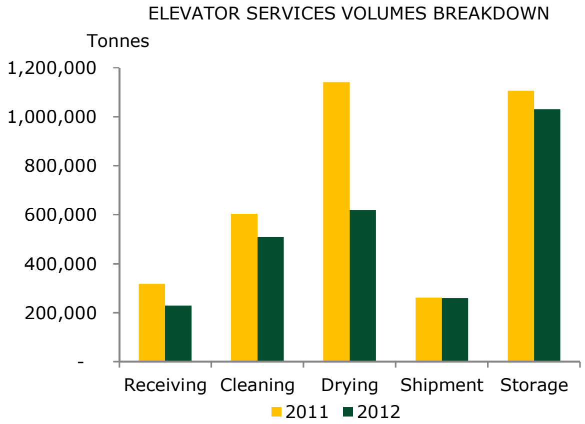
In the Storage services segment the EBITDA for 2012 stood at EUR 417 thousand compared to EUR 1,280 thousand in 2011.

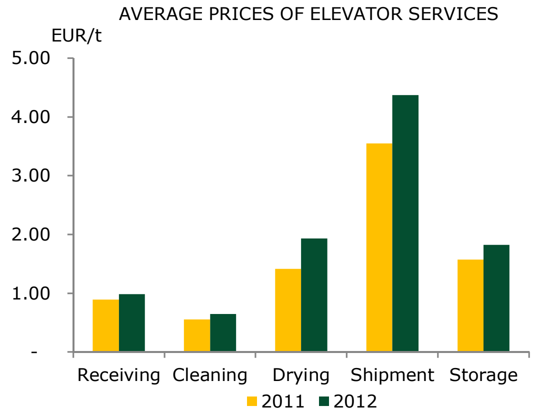
in EUR thousand	2011	2012
Revenue between segments	2,603	2,188
Revenue from external customers	4,139	3,574
Total segment revenue	**6,742**	**5,762**
Subsidies	-	-
Other income	127	22
Change in biol.assets	-	-
TOTAL income	**6,869**	**5,784**
Change in inventories	-1	-
Cost of purchased goods	-125	-11
OPEX	-5,417	-4,987
Gain from bargain purchase	-	-
Other (losses)/gains - net	-46	-24
EBITDA before one-off items	**1,280**	**762**
One-off items*	-	-345
EBITDA	**1,280**	**417**

* One-off items in 2012 are gain from disposal of subsidiaries, write off of Ukraine VAT liability and other receivables and advance payments.

STORAGE SERVICES OPERATIONAL REVIEW

In 2012 the cereals storage elevators of the Group handled less tonnes of commodities compared to 2011. Out of the total volumes handled the biggest decline was in volumes related to drying services. The decrease in volumes handled was related to both lower yields in the Group Cereals production clusters and lower production volumes of other farms in the region of the Group's Storage operations. However, the decline in volumes handled was partly compensated by an increase in Storage services prices.





Volumes handled, tonnes	2011 Trigon Agri commodities	2011 Third party commodities	2011 Total	2012 Trigon Agri commodities	2012 Third party commodities	2012 Total
Receiving	138,437	180,012	318,449	122,836	106,993	229,830
Cleaning	283,900	320,445	604,345	265,839	242,193	508,031
Drying	510,111	631,734	1,141,845	345,736	273,874	619,610
Shipment	42,166	220,979	263,145	72,744	187,145	259,889
Storage	287,363	818,548	1,105,911	274,676	756,276	1,030,952

SALES AND TRADING

The main purpose of the Sales and trading segment is to maximize the cereals sales prices received for the Group´s own commodity production. Depending on market situation, the Sales and trading department is also engaged in intermediation of third-party goods. In addition to the cereals sales starting from 3Q 2011, the Sales and trading division organizes purchases of seeds and fertilizers for the cereals production companies of the Group.

SALES AND TRADING FINANCIAL REVIEW

The total revenue of the Sales and trading segment in 2012 was EUR 62,532 thousand (EUR 34,891 thousand in 2011). Out of that, EUR 56,822 thousand (EUR 34,835 thousand in 2011) was generated from the sales of the Group´s own cereal production and third-party cereals. During 2012, the Group sold year-end inventory from the 2011 harvest and most of the crops from 2012 harvest, whereas in 2011 the Group kept larger part of its harvest in stock. For details on the cereals sales prices, sold quantities, and period-end produce available for sale in the Sales and trading segment please refer to the included tables.

Other revenues in 2012 were mainly related to the intermediation of seeds and fertilizers to the Group cereals production companies.

The Cost of purchased goods in 2012 in the amount of EUR 59,277 thousand (EUR 34,488 thousand in 2011) was significantly higher compared to 2011 due to the higher volumes of commodities handled in 2012.

SALES AND TRADING SEGMENT INCOME 2012

Revenue breakdown: Sales of cereals in Sales and trading segment

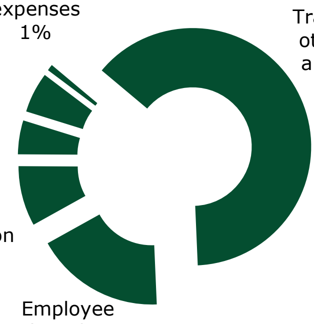
	2011			2012		
	Tonnes	**Price EUR/t**	**Revenue, EUR thousand**	**Tonnes**	**Price EUR/t**	**Revenue, EUR thousand**
Wheat	98,934	124	12,309	95,669	167	15,939
Barley	8,597	147	1,266	17,800	173	3,075
Sunflower	38,755	258	9,986	50,400	326	16,444
Corn	42,569	169	7,175	50,000	182	9,102
Rapeseed	8,023	404	3,245	18,284	450	8,233
Soya	2,510	257	646	12,696	311	3,949
Other	1,327	157	209	534	152	81
Total	**200,714**	**174**	**34,835**	**245,383**	**232**	**56,822**
incl own produced	**149,564**			**204,999**		
incl third party	**51,151**			**40,384**		

Grain for sale in stock in Sales and trading segment

	31.12.2011			31.12.2012		
	Tonnes	**Value, EUR thsd**	**Average price, EUR/t**	**Tonnes**	**Value, EUR thsd**	**Average price, EUR/t**
Wheat	4,294	610	142	16	3	188
Barley	1,580	212	134	-	-	-
Corn	2,849	580	204	5,809	893	154
Rapeseed	2,630	836	318	-	-	-
Total	**11,353**	**2,238**	**197**	**5,825**	**896**	**154**

In the Sales and trading segment, the total operating expenses (excluding cost of purchase goods) were 25% higher compared to the same period in previous year. This was due to the higher cereals sales volumes and therefore higher transportation services used in 2012 compared to 2011.

SALES AND TRADING SEGMENT OPEX 2012



Operating expenses breakdown, EUR thousand	2011	2012
Transportation, other services and materials	-670	-2,016
Employee benefits expense	-533	-564
Office and administration expenses	-175	-262
Operational management fee	-139	-147
Legal, consulting and audit fees	-317	-176
Other expenses	-728	-27
Total expenses	**-2,562**	**-3,192**

In the Sales and trading segment the EBITDA improved from loss of EUR 336 thousand in 2011 to a profit of EUR 274 thousand in 2012 due to higher volumes of commodities handled.

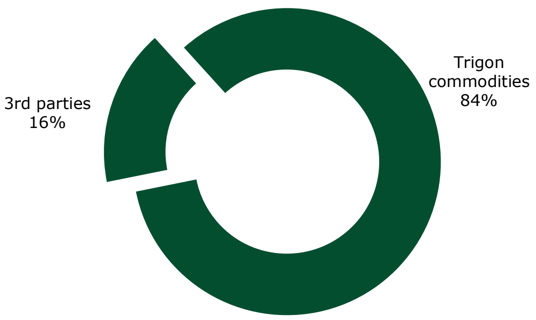
in EUR thousand	2011	2012
Revenue between segments	49	5,724
Revenue from external customers	34,842	56,808
Total segment revenue	**34,891**	**62,532**
Subsidies	-	-
Other income	2,105	84
Change in biol.assets	-	-
TOTAL income	**36,996**	**62,616**
Change in inventories	-264	306
Cost of purchased goods	-34,488	-59,277
OPEX	-2,562	-3,192
Gain from bargain purchase	-	-
Other (losses)/gains - net	-18	-7
EBITDA before one-off items	**-336**	**446**
One-off items*	-	-172
EBITDA	**-336**	**274**

* One-off items in 2012 are gain from disposal of subsidiaries, write off of Ukraine VAT liability and other receivables and advance payments.

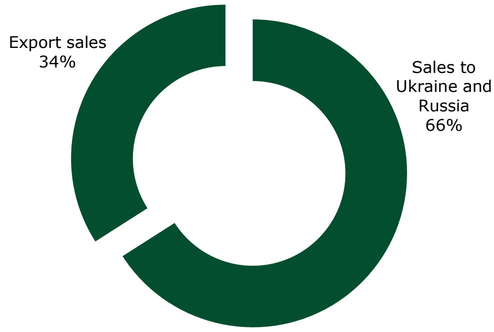
SALES AND TRADING OPERATIONAL REVIEW

The total volume of cereals sold by the Sales and trading segment in 2012 was 245 thousand tonnes (201 thousand tonnes in 2011). In 2012, 66% of the sales were to the domestic market in Ukraine and Russia and 34% of the sales to export markets with CPT delivery terms. In 2011, 86% of the sales were to the domestic market in Ukraine and Russia and 14% to export markets with CPT delivery terms. Out of the total volumes handled during 2012, 84% was made up of the Group's own produced commodities (75% during 2011). The increase in the sales of the Group's own cereals production is explained by the different periodization of the own produced cereals sales as large part of the 2011 produce was also sold in 2012.

SALES AND TRADING SEGMENT CEREALS SALES VOLUME BREAKDOWN 2012



SALES AND TRADING SEGMENT CEREALS SALES VOLUME BREAKDOWN 2012



Trigon Agri wheat field, Penza, Russia, July 2012

MARKET DYNAMICS AND OUTLOOK

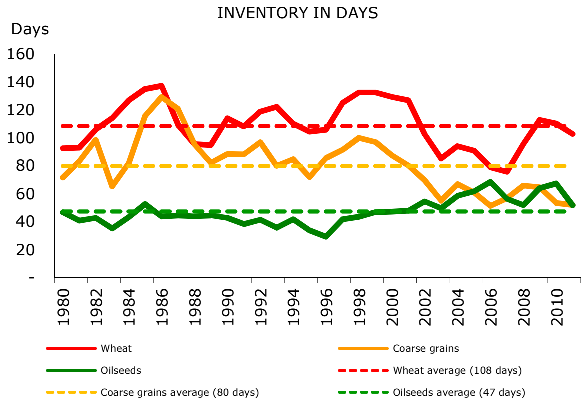
GLOBAL MARKET FOR GRAINS AND OILSEEDS

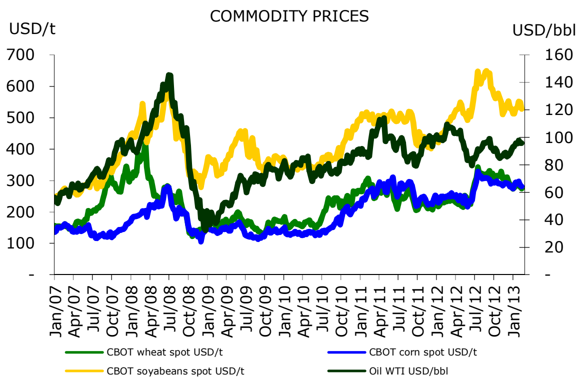
2012 was a difficult year in terms of total global harvest, with year-end inventory levels dropping significantly for wheat and coarse grains and global production remaining below demand. Tight global inventory levels continue to support the price levels of key soft commodities and are likely to do so until this year's harvest starts being collected.

China's feed-grains consumption hit another record level in 2012, while its imports of soybeans reached an all-time record high. The structural demand-driven longer-term investment theme in agriculture remains intact and the challenges the world faces in feeding its population have been highlighted again with the year events of 2012.

World use of grains, millions of tonnes	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Wheat						
Total production	611	684	686	652	697	654
Total production y-o-y, %	3%	12%	0%	-5%	7%	-6%
Total use	617	642	650	655	698	673
Total use y-o-y, %	0%	4%	1%	1%	7%	-4%
Ending stocks	125	167	203	198	197	177
Ending stocks y-o-y, %	-5%	34%	21%	-2%	-1%	-10%
Inventory in days	74	95	114	110	103	96
Coarse grains						
Total production	1,080	1,110	1,116	1,099	1,153	1,124
Total production y-o-y, %	9%	3%	0%	-1%	5%	-3%
Total use	1,057	1,080	1,115	1,131	1,155	1,142
Total use y-o-y, %	4%	2%	3%	1%	2%	-1%
Ending stocks	164	194	195	166	164	146
Ending stocks y-o-y, %	16%	19%	1%	-15%	-1%	-11%
Inventory in days	57	66	64	54	52	47
Oilseeds						
Total production	392	396	445	456	441	467
Total production y-o-y, %	-3%	1%	12%	2%	-3%	6%
Total use	401	401	422	444	460	462
Total use y-o-y, %	2%	0%	5%	5%	4%	0%
Ending stocks	62	55	72	82	65	67
Ending stocks y-o-y, %	-15%	-11%	31%	14%	-20%	3%
Inventory in days	56	50	62	67	52	53

Source: USDA, estimates as of February 8, 2013

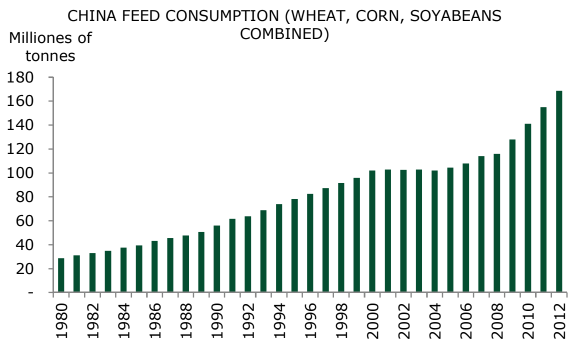


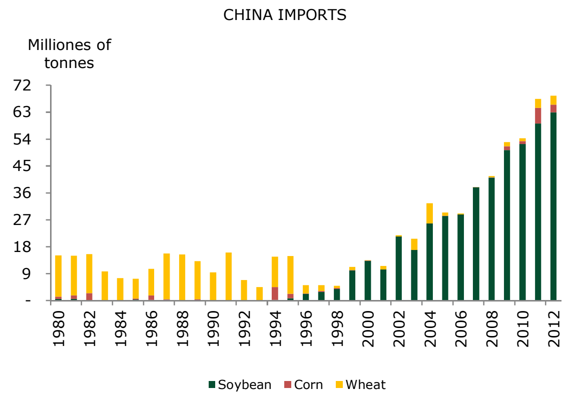


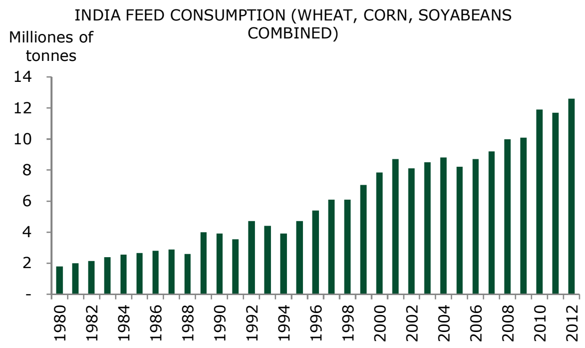
Source: USDA

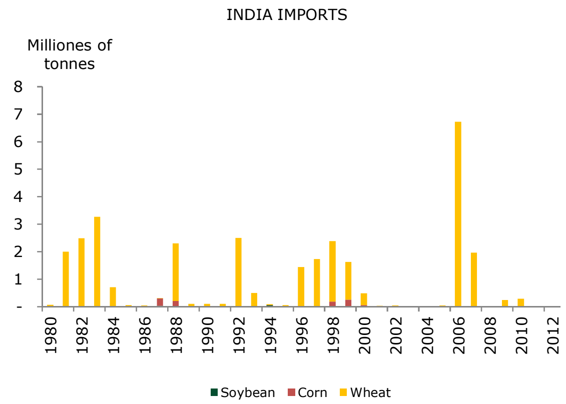
	15.02.2013	CBOT 6 m future	CBOT 1 year future
Wheat CBOT USD/t	275	276	284
Corn CBOT USD/t	281	270	222
Soybeans CBOT USD/t	528	516	465
Oil WTI USD/bbl	96	98	96

Source: Bloomberg

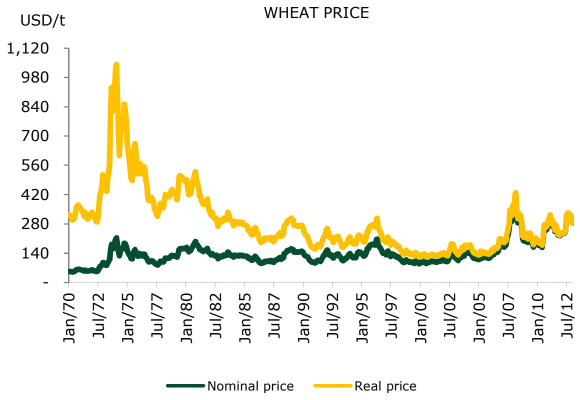


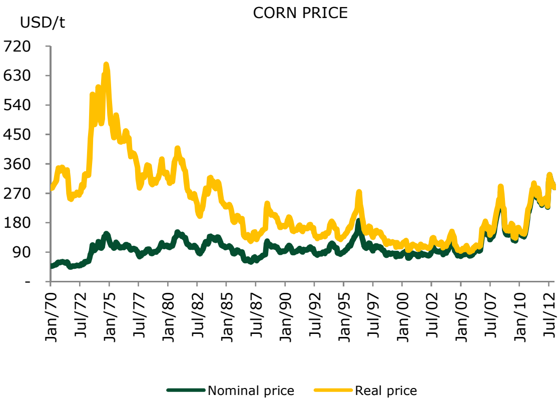






Source: USDA



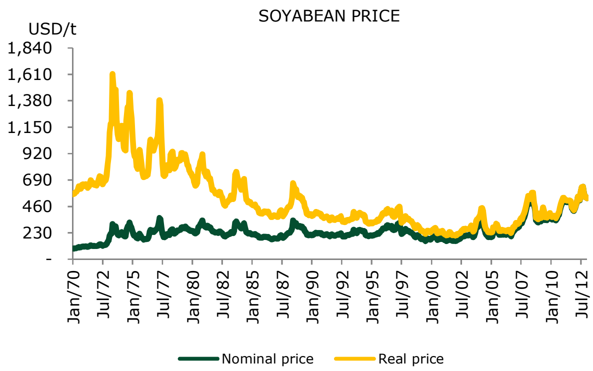


Wheat price chart comments:

- Prices are monthly averages until January 2013 (last date 31.01.2013).
- S&P GSCI Index (1 January 1970 = 100) first converted to CBOT Futures prices (USD/bushel) and then to USD/tonnes. *Source: Bloomberg*.
- Real values adjusted with US CPI (1982-84=100 rebased to Current prices = 100). *Source: Bureau of Labour Statistics*.

Corn price chart comments:

- Prices are monthly averages until January 2013 (last date 31.01.2013)
- S&P GSCI Index (1 January 1970 = 100) first converted to CBOT Futures prices (USD/bushel) and then to USD/tonnes. *Source: Bloomberg*.
- Real values adjusted with US CPI (1982-84=100 rebased to Current prices = 100). *Source: Bureau of Labour Statistics*.



Soyabean price chart comments:

- Prices are monthly averages until January 2013 (last date 31.01.2013)
- S&P GSCI Index (1 January 1970 = 100) first converted to CBOT Futures prices (USD/bushel) and then to USD/tonnes. *Source: Bloomberg*.
- Real values adjusted with US CPI (1982-84=100 rebased to Current prices = 100). Source: Bureau of Labour Statistics.

RUSSIAN AND UKRAINIAN MARKETS FOR GRAINS AND OILSEEDS

Both Ukraine and Russia registered significant drops in their country-wide harvests in 2012, with total production dropping 17% in Ukraine and 24% in Russia. The drop in production was primarily driven by the southern regions of both countries, which had severe drought conditions.

In Ukraine the total area of autumn seedings carried out in 2012 stood at 9.1 million hectares, i.e. 10% more than in 2011. Compared to the previous year, winter crop losses in Ukraine were significantly lower. Out of the total winter crop areas, 8% are currently in weak condition. In the previous year, the total area of perished winter crops stood at 29%.

In Russia, the total area of autumn seedings carried out in 2012 stood at 16 million hectares, i.e. 4% less than in 2011. Out of that, 9% of the areas are currently in weak condition. In previous year the total area of perished winter crops stood at 6%.

The need for reseedings in both countries can be determined only in spring once the plants start to develop.

Grains and oilseeds						
Ukraine	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Arable area, millions of ha	32	32	32	32	32	32
Harvested area, millions of ha	18	21	21	21	22	22
Average yield, tonne/ha	2.0	3.0	2.6	2.3	3.1	2.6
Harvest, millions of tonnes	35	63	56	50	70	58
Harvest y-o-y, %	-14%	82%	-12%	-10%	40%	-17%
Exports, millions of tonnes	6	29	23	15	26	25
Exports y-o-y, %	-48%	415%	-19%	-35%	73%	-5%
Consumption, millions of tonnes	29	33	33	34	42	36
Consumption y-o-y, %	-4%	12%	2%	3%	22%	-13%
Ending stocks, millions of tonnes	4	6	5	6	8	5
Russia	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Arable area, millions of ha	122	122	122	120	122	122
Harvested area, millions of ha	45	51	48	39	48	44
Average yield, tonne/ha	1.9	2.2	2.1	1.7	2.1	1.8
Harvest, millions of tonnes	85	113	102	65	102	77
Harvest y-o-y, %	3%	33%	-10%	-36%	56%	-24%
Exports, millions of tonnes	14	23	22	4	28	16
Exports y-o-y, %	9%	69%	-7%	-80%	544%	-44%
Consumption, millions of tonnes	74	81	80	65	79	71
Consumption y-o-y, %	1%	10%	-2%	-18%	20%	-10%
Ending stocks, millions of tonnes	6	17	18	16	13	7

Source: USDA and FAO

USD per tonne excl VAT	**31.12.2009**	**31.12.2010**	**31.12.2011**	**31.12.2012**	**15.02.2013**
Wheat 3rd class EXW Ukraine	119	174	181	224	231
Wheat 3rd class FOB Ukraine	185	292	237	340	345
Wheat 3rd class EXW Russia	150	208	175	344	365
Wheat 3rd class FOB Russia	196	265	243	365	365
Wheat CBOT	169	268	234	282	275
Corn EXW Ukraine	132	169	147	205	207
Corn FOB Ukraine	188	263	240	305	290
Corn EXW Russia	153	251	149	253	284
Corn FOB Russia	n/a	n/a	220	305	305
Corn CBOT	140	227	253	278	281
Sunflower EXW Ukraine	324	461	381	521	532
Sunflower FOB Ukraine	450	420	420	670	685
Sunflower EXW Russia	368	655	352	521	532
Sunflower FOB Russia	n/a	n/a	n/a	n/a	n/a

Source: Bloomberg, APK-Inform

CORPORATE GOVERNANCE

INTRODUCTION

The full Report on Corporate Governance during the period of 1 January 2012-31 December 2012 ("Report") is published at the same time with the Annual Report on the Company's web page (available at http://www.trigonagri.com/corporate-governance/reports/).The following constitutes Trigon Agri's statutory reporting on corporate governance in accordance with Section 107 b (1)(3) of the Danish Financial Statements Act.

Despite the absence of any Danish law requirement to apply the Danish Recommendations on Corporate Governance ("Code", available at www.corporategovernance.dk), the Board of Directors and Executive Board feel strongly about sound corporate governance and applies the Code within Trigon Agri.

The principles of corporate governance in Trigon Agri are described below and governed by the Articles of Association, applicable laws, the Code, Rules of Procedure for both of the Boards, exchange requirements and market practice. Specific reference is made to any areas in which Trigon Agri deviates from the Code, as is required by the 'comply or explain' principle in the Code.

It is Trigon Agri's declared intention to secure that the standards and principles of good corporate governance will be adhered to at all times.

The governance of Trigon Agri is attended to by:

- The General Meeting of Shareholders
- The Board of Directors
- The Executive Board

Trigon Agri Advisors provides management advisory services to the company.

GENERAL MEETING

The General Meeting of Shareholders has supreme authority in all matters and things pertaining to the Company subject to the limits set by statute and by the Articles of Association. Any share carries one vote in the General Meeting of Shareholders. The members of the Board of Directors and the auditor are elected by the General Meeting of Shareholders.

BOARD OF DIRECTORS

The Board of Directors consists of five members. In accordance with the Code, at least half of the members must be independent of the company, management and shareholders, and this requirement is fulfilled by Trigon Agri having three independent members of the Board of Directors (Raivo Vare, David Mathew and René Nyberg).

In accordance with the Code the elected members of the Board of Directors are appointed to hold office for one year and thus the election term expires at the annual General Meeting following the election. The Board of Directors shall have a Chairman, which they shall elect from among their members.

More information for the Board of Directors has been presented in the following paragraphs. No member of the Board of Directors has management positions in any other Danish company.

Joakim Helenius (born 1957)

Chairman of the Board of Directors of Trigon Agri since 2007 (Supervisory Board until its dissolution in 2010).

Shareholdings in Company: 10,424,034[1].

Warrant holdings: 17,500,000[2].

Other current active positions:

- Supervisory Board member in Trigon Capital (7)
- Supervisory Board member in Trigon Capital subsidiary companies (Trigon Capital ownership less than 100%) (7)
- Supervisory Board member in other Trigon Agri Group companies (3)
- AS Marat, Supervisory board
- OÜ Helenius Baltic, Management board

Experience (highlights of former positions):

- Baltic Republics Fund, Board of Directors
- AS Baltika, Supervisory Board
- EMV, Supervisory Board
- FKSM, Supervisory Board
- Estonian Savings Bank, Supervisory Board
- Hansapank, Supervisory Board
- Reval Hotelligrupi AS, Supervisory Board
- Koger & Sumberg, Supervisory Board
- Gutta, Supervisory Board
- Olainfarm, Supervisory Board
- Sylvester and Sanitas, Supervisory Board

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1 Owns 305,700 shares directly and 10,118,334 indirectly, i.e. controls an entity (55.69 per cent) which holds 10,118,334 shares in the Company.

2 Controls the entity (55.69 per cent) which has the right to exercise the warrants.

- Merrill Lynch International Bank, Board of Directors
- Goldman Sachs International Limited, Vice President of fixed income division
- AS Estonian Air, Supervisory Board
- Supervisory Board member in Trigon Capital Group companies

Pertti Laine (born 1941)

Member of Board of Directors of Trigon Agri since 2007 (Supervisory Board until its dissolution in 2010).

Shareholdings in Company: 8,053,448[3].

Warrant holdings: None.

Other current active positions:

- Supervisory Board member / member of Board of Directors in Trigon Capital (3)
- Veikko Laine Ltd, Board of Directors
- Osaühing Karlskroona, Board of Directors
- Länsiauto Oy, Board of Directors
- Taaleritehtaan omistusyhteistö Ltd, Board of Directors

Experience (highlights of former positions):

- Finnlines Plc, Chairman
- Nordic Aluminium Oyj, Board of Directors
- Evox Rifa Oyj, Board of Directors
- Conventum Oyj, Board of Directors
- United Bankers Ltd, Board of Directors
- Evox Rifa Group Plc, Board of Directos
- Amanda Capital Plc, Board of Directors
- eQ Oyj, Board of Directors
- Supervisory Board member in Trigon Agri Group companies

René Nyberg (born 1946)

Member of Board of Directors of Trigon Agri since 2008 (Supervisory Board until its dissolution in 2010).

Shareholdings in Company: 15,000.

Warrant holdings: None.

Other current active positions:

- East Office of Finnish Industries, CEO

Experience (highlights of former positions):

- Foreign Ministry of Finland:

  – Assistant Secretary General of the Finnish-Soviet Economic Commission

  – Director for Security Policy

  – Director for Eastern Affairs

  – Ambassador of Finland, Berlin

  – Ambassador of Finland, OSCE, Vienna

  – Ambassador of Finland, Moscow

Raivo Vare (born 1958)

Member of Board of Directors of Trigon Agri since 2012.

Shareholdings in Company: None.

Warrant holdings: None.

Other current active positions:

- Live Nature OÜ, Owner and CEO
- OÜ RVVE Group, Partner
- AS SmartCap, Chairman of the Supervisory Council
- Estonian Development Fund, Member of the Supervisory Council
- AS Smart City Group, Member of the Supervisory Council
- 3D Technologies R&D AS, Member of the Supervisory Council
- AS Sthenos Gruop, Chairman of the Supervisory Council
- Ülemiste AS, Member of the Supervisory Council
- AS Superia, Member of the Supervisory Council
- Member of Supervisory Board, Trigon Agri Group companies (1)
- Member of Supervisory Board, Trigon Capital Group companies (1)

Experience (highlights of former positions):

- Minister of State
- Minister of Transport and Communications
- Development Director and Member of the Management Board of Estonian Railways Ltd
- Chief Executive Officer of Pakterminal Ltd
- Member of Advisory Board of Norwegian Eastern Europe Group
- Member of Transport Industry Task Force of EU-Russia Industrialists' Round Table
- Director and Member of the Management Board of the Bank of Tallinn
- Co-owner and Partner, AS Sthenos Group
- Supervisory Board member in Trigon Agri Group companies
- Supervisory Board member in Trigon Capital Group companies
- Member of Board of Directors/Supervisory Council in other companies

David Mathew (born 1954)

Member of Board of Directors of Trigon Agri since 2012.

Shareholdings in Company: None.

[3] Dow not own any shares directly. Controls an entity (83.33 per cent) which holds 8,053,448 shares in the Company.

Warrant holdings: None.

Experience (highlights of former positions):

- Director of Robert Fleming
- Director of Baring Brothers
- Director of Jardine Matheson

All the members of Board of Directors are at the age below 80 which is the retirement age for Board of Directors set by Articles of Association.

A Board of Directors meeting shall constitute a quorum when more than half the directors are present. Resolutions by the Board of Directors shall be passed by a simple majority of votes. The Board of Directors has held five physical meetings during 2012 and several via electronic means.

The Board of Directors is the highest level of the management structure, which primary functions are to be responsible for the overall and strategic management as well as decision outside of the day-to-day management, i.e. decisions of unusual nature or of major importance. The Board of Directors will arrange for the proper organisation of the activities of Trigon Agri, and will ensure that the keeping of accounts and the administration of property are carried out in a satisfactory way.

The Board of Directors has drawn up rules of procedure governing the performance of its duties.

Fees paid to Board of Directors are resolved by General Meeting and are disclosed under section 'related Party Transactions'.

EXECUTIVE BOARD

The Board of Directors has appointed an Executive Board consisting of two members to be responsible for the day-to-day operations of the company. One of the managers of the Executive Board shall be appointed the CEO.

List of management positions of Executive Board members in other companies is presented in the following paragraphs. No member of the Executive Board has management positions in any other Danish company.

Ülo Adamson (born 1978)

Chairman of the Executive Board, CEO and the President of Trigon Agri, in charge of the financial and operational strategy of the company since 2007.

Shareholdings in Company: None.

Warrant holdings: None.

Other current active positions:

- Supervisory Board / Management Board member of Trigon Agri Group companies (7)
- Supervisory Board / Management Board member in Trigon Capital (7)
- Supervisory Board / Management Board member in Trigon Capital subsidiary companies (Trigon Capital ownership less than 100%) (7)
- OÜ Invenio (personal investment company)

Experience (highlights of former positions):

- AS Telema, Supervisory Board
- Trigon Capital Sp. Z.o.o., Management board
- ST Coffee Advisors Ltd, Board of Directors
- Quadro Media Sp. Z.o.o., Supervisory board
- OÜ Macro Kinnisvara, Supervisory board
- AS Martinson Trigon Venture Partners, Management board
- AS MARTINSON TRIGON, Supervisory board
- Supervisory Board / Management Board member of Trigon Capital Group companies

Konstantin Kotivnenko (born 1978)

Member of the Executive Board of Trigon Agri since 2010, responsible for sourcing, structuring and set-up of the majority of Trigon Agri A/S acquisitions in Ukraine and Russia.

Shareholdings in Company: None.

Warrant holdings: None.

Other current active positions:

- Supervisory Board member in Trigon Agri Group companies (2)
- Supervisory Board / Management Board member in Trigon Capital (1)
- Management Board member in Trigon Capital subsidiary company (Trigon Capital ownership less than 100%) (1)

Experience (highlights of former positions):

- Law Firm Sorainen, Attorney at Law
- Supervisory Board member of Trigon Agri Group companies

The Executive Board shall be accountable to the Board of Directors for managing the company in accordance with applicable law in force, the company's Articles of Association, the Rules of Procedure of the Board of Directors and the Guidelines for Segregation of Duties between the Board of Directors and Executive Board.

According to the Advisory Agreement with Trigon Agri Advisors, the parties have undertaken to ensure that person(s) nominated by Trigon Agri Advisors are appointed as members of the Executive Board and that such members from time to time may be replaced by such persons as Trigon Agri Advisors may designate.

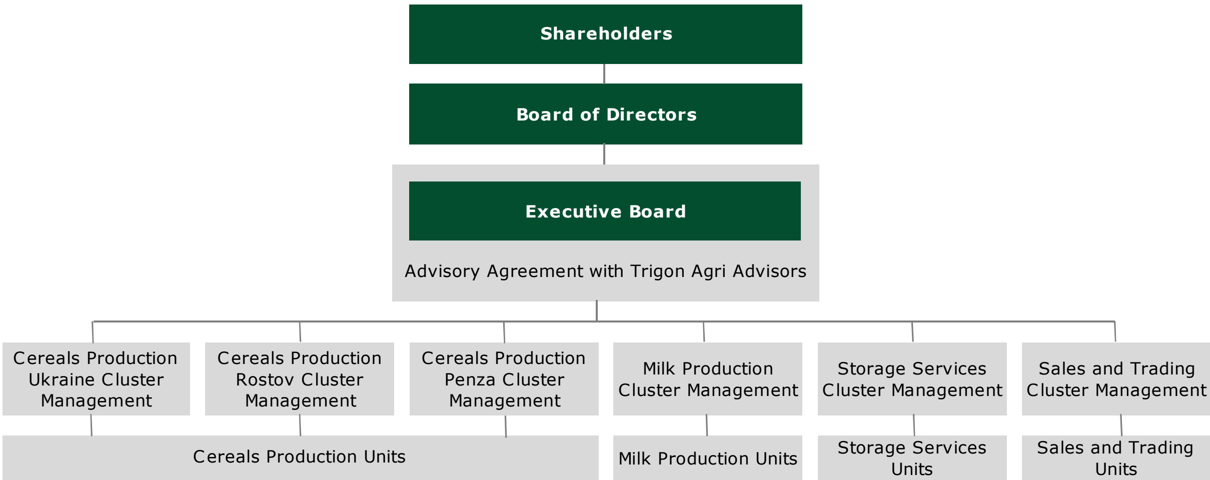
The Board of Directors has drawn up guidelines to segregation of duties between the Board of Directors and the Executive Board.

Fees paid to Executive Board are disclosed under section ‘related Party Transactions’.

ADVISORY AGREEMENT

Trigon Agri has entered into the Advisory Agreement with Trigon Agri Advisors. Pursuant to the Advisory Agreement, Trigon Agri Advisors is the exclusive provider of strategic management services and general management services to Trigon Agri, including strategic and financial management, structuring of land and farm acquisitions and designing financing solutions.

The management structure of the Group as at the date of publication of the current report is shown in the following graph.



The average number of employees in 2012 stood at 1,487 (2011: 1,485).

RULES FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION

Amendments of the Company's Articles of Association may be proposed either by the shareholders or the Board of Directors.

As a general rule, proposed resolutions to amend the Articles of Association shall be passed at a general meeting by the shareholders. The resolution to amend the Articles of Association shall generally be passed by a majority of at least two-thirds of the votes cast as well as of the share capital represented at the general meeting, cf. Section 105 of the Danish Companies Act (the "DCA").

For the sake of good order, please note that pursuant to Section 107(2) of the DCA, certain proposals to amend the Articles of Association shall be passed by at least nine-tenths of the votes cast as well as of the share capital represented at the general meeting. Finally, certain decisions which favour certain shareholders to the detriment of other shareholders may contravene with the principle of equal treatment of shares in Section 45 of the DCA and as such requires unanimity.

However, pursuant to the DCA the shareholders may by passing a resolution at a general meeting authorise the Board of Directors to amend the Articles of Association in certain respects e.g. by an increase or decrease of the share capital of the Company. The authorisation is subject to a number of requirements.

Except for the authorisations mentioned under ‘Authorisations to Board of Directors’ below, the Company's general meeting has not passed resolutions with respect to such authorisations.

AUTHORISATIONS TO THE BOARD OF DIRECTORS

Pursuant to the Company's Articles of Association, the Board of Directors is authorised to increase the Company's share capital (gradually or at once) by subscription for up to 105,000,000 shares.

Furthermore, the Board of Directors is authorised to increase the Company's share capital by the issuance of warrants. The warrants, which may be issued free of charge, may entitle the holder to subscribe for shares in the Company for up to 26,250,000 shares. On 30 April 2008 the Board of Directors partially used this authorisation to pass a resolution on the issuance of warrants entitling the holder to subscribe for up to 17,500,000 shares.

The above-mentioned authorisations from the shareholders are effective until the end of the year 2012.

Pursuant to the Company's Articles of Association, the Board of Directors is authorised to make an extraordinary distribution of dividend pursuant to the provisions of the DCA.

COMMITTEES

In the autumn of 2010, the Board of Directors established three committees: the Audit Committee, the Nomination Committee and the Remuneration Committee.

Audit committee

The responsibilities of the Audit Committee include: (i) reviewing significant accounting and reporting issues; (ii) giving recommendations to the Board of Directors prior to the release of the interim reports, annual reports and preliminary results' announcements whether these should be approved by the Board of Directors; (iii) assisting the Board of Directors with the oversight of the financial reporting process; and (iv) reviewing, on an annual basis, the performance of the external auditors.

The members of the Audit Committee shall be appointed by the Board of Directors and among its members. Trigon Agri's Audit Committee currently consists of Raivo Vare (Chairman) and David Mathew.

The Audit Committee shall meet as frequently as the Chairman of the Audit Committee deems necessary, but it should be at least twice a year. In 2012, the Audit Committee held two physical meetings and several via electronic form.

Nomination Committee

The Nomination Committee's duties include: (i) identifying and recommending members to the Board of Directors and Executive Board to the Board of Directors; (ii) evaluating the structure, size, composition and performance of the Board of Directors and Executive Board and to propose any changes in this respect to the Board of Directors; and (iii) considering proposals submitted by relevant persons for candidates for executive positions.

The Nomination Committee shall consist of two to four persons and at least half of its members shall be independent of Trigon Agri and its subsidiaries. The members of the Nomination Committee shall be appointed by the Board of Directors and among its members. The Nomination Committee currently consists of Pertti Laine (Chairman), Joakim Helenius, Raivo Vare, and David Mathew.

In 2012, the Nomination Committee held one meeting via electronic form.

Remuneration Committee

The Remuneration Committee's duties include to make proposals to the Board of Directors, prior to approval at the general meeting, on the remuneration policy and the principles of the incentive pay schemes for the Board of Directors and the Executive Board and to ensure that the remuneration is consistent with Trigon Agri's remuneration policy and the evaluation of the performance of the persons concerned.

The members of the Remuneration Committee shall be appointed by the Board of Directors and among its members. The Remuneration Committee shall consist of two to three members and the Chairman of the Board of Directors shall always be the Chairman of the Remuneration Committee. At least half of the members shall be independent in relation to Trigon Agri and its subsidiaries. Trigon Agri's Remuneration Committee consists of Joakim Helenius (Chairman) and René Nyberg. The Remuneration Committee shall convene as often as considered necessary by the Chairman of the Committee and at least once a year.

In 2012 the Remuneration Committee held one meeting via electronic form.

INTERNAL CONTROL

The Executive Board is responsible for the organisation and administration of the Company, which includes establishing an effective system of internal control. Internal control in this context refers to those measures taken by the Executive Board, the senior executives and other personnel to ensure that the bookkeeping and the Company's financial condition in general are controlled and reported upon in a reliable fashion and in compliance with relevant legislation, applicable accounting standards and other requirements related to the Company's listing on the Stock exchange.

In order to ensure that the organisational structure, chain of command and authority are well defined and clearly communicated, the Company has prepared written instructions and formal routines for division of labour between the Executive Board, the Board of Directors, the management and other personnel. The Executive Board has established general guidelines for the Company's activities in internal policies, manuals and codes. Controls have also been carried out to ensure that the IT-/computer systems involved in the reporting process support a sufficiently high dependability for its task. The Company has established fixed routines and invested in reliable technical applications to guarantee a fast and reliable way of sharing information throughout the organisation. Internal policies and general guidelines for financial reporting are communicated between the Executive Board, senior executives and other personnel through regular meetings and via electronic form.

The internal control system followed in 2012 consisted of risk assessment, reporting instructions, control procedures and monitoring.

The Executive Board and also the Audit Committee assess risks related to financial reporting that the Company is exposed to. The main risks have been identified as risk of fraud and misconduct. Certain risks have been disclosed and explained also in the Annual Report under section Financial Risk Management.

Several control procedures have been integrated in the accounting and reporting systems such as finance policy, internal reporting guidelines and certain internal accounting control routines. In 2011, the following important policies were put in place: Bank accounts usage and rights policy; Operating expenditures policy and Capital investments purchases policy; budgeting policy.

The Executive Board follows up to ensure that any internal control weaknesses are addressed and that potential errors are detected and reported and corrected in timely and orderly fashion.

The policies, guidelines and routines are updated on an on-going basis and are introduced to employees regularly via electronic form or internal training events.

Monitoring over accounting and financial reporting is conducted by the Executive Board and Audit Committee on a regular basis. Monitoring procedures are designed to identify risks, detect errors and correct any weaknesses. The Executive Board receives monthly internal financial reporting and the Audit Committee receives quarterly interim reports.

SUMMARY OF CODE RECOMMENDATIONS NOT FOLLOWED AND REASONS WHY NOT FOLLOWED

The following table is a summary from the Report and outlines the Code recommendations the Company did not follow as well as explanation why the Company did not comply with the recommendation. Regardless, the Company is satisfied with its Code adherence discipline.

Recommendation	Reason why the Company did not comply
1.3.4 The Committee **recommends** that all members of the supreme governing body and the executive board be present at the GM.	General meetings have been attended by Executive Board members but not by the members of the Board of Directors. However, the Executive Board is competent and possesses sufficient knowledge to satisfy every question the shareholders may raise at the general meetings.
3.1.2. The Committee **recommends** that information from the company to the market be published in both Danish and English.	Since listing on Nasdaq OMX **Stockholm**, the Company has published its press releases and kept its web page only in English. Attention is drawn to the fact that at the Extraordinary General Meeting in October 2010 the shareholders resolved to amend Articles of Association so that the Company is obliged to publish all press releases and general meetings notices in English only (Articles of Association art. 9.4 and 10.6).
6.1.1-6.1.5. and 6.2.1-6.2.3 The Committee **recommends** that the general meeting adopts remuneration policy applicable to board of directors and executive board which includes thorough description of the components of remuneration, incl. variable components; and that the remuneration policy be clear, posted on Company's website and explained/justified by chairman in his statement. The total remuneration granted to each board member should be disclosed.	No separate remuneration policy has been adopted. However, since the remuneration of the Board of Directors and Executive Board is very transparent, the Company does not see the need for a separate policy. The remuneration of the Board of Directors is always resolved by the annual general meeting and disclosed on the Company's web page under meeting minutes http://www.trigonagri.com/corporate-governance/general-meetings/general-meetings-2012/ The remuneration of the Executive Board is resolved by the Board of Directors following the annual general meeting. The Annual Report contains the total amount paid to board members. The Company notes the following: The Company has entered into an Advisory Agreement with AS Trigon Agri Advisors (Advisor). The Executive Board (save for CEO) receive compensation from the Advisor and the compensation is included in the management fee paid to the Advisor. Detailed information about the Advisory Agreement is available here http://www.trigonagri.com/corporate-governance/advisory-agreement/
5.5.1. The Committee **recommends** that the individual company explain the system of employee-elected board members and the company's use hereof.	No system of employee-elected board members exists. Due to the Company being a listed company, the management of the Company is adhering the Nomination Committee's assessment and suggestions on candidates to be proposed for election to AGM (Board of Directors) and Board of Directors (Executive Board).

ENVIRONMENTAL MATTERS

Trigon Agri is committed to operating the agricultural businesses under its control utilising environmentally and agronomically sustainable production methods. We recognise the need to honour the responsibilities we have with respect to the protecting the environmental and to the consumer by ensuring that the food we produce is both safe and of a high standard.

To achieve this commitment we ensure that all our agronomists and managers are fully trained with the most up to date technical information, to ensure that there is optimal use of seeds, fertilisers and pesticides so as to keep a sound balance between production and the environment. Trigon Agri's cultivation, field application, and harvesting philosophy, focuses on the minimal usage of energy thus minimising the Group's carbon footprint. The crop rotations adopted are carefully planned to ensure no build-up of pests, diseases or weeds. We are highly water conscious and at all times look to preserve this most pressure resource. All waste materials are disposed of in an environmentally sensitive way so as to minimise pollution of our planet.

Trigon Agri will continue ensure that all its employees are fully conversant with the aims set out in this policy statement in order that all its activities are compliant and represent best practise.

CORPORATE SOCIAL RESPONSIBILITY

The Group management has a policy on social responsibility. The guidelines take into account the interests of all its stakeholders including employees, customers and suppliers as well as the community and environment in which it operates. According to the guidelines the Group:

- provides clear and fair terms of employment
- provides clean, healthy and safe working conditions
- strives for equality and diversity and does not discriminate
- encourages employees to develop
- does not tolerate any sexual, physical or mental harassment or bullying
- employs only voluntary and appropriately aged employees
- is honest and fair in its relationships with its customers.
- does not engage in bribery or corruption
- is honest and fair in its relationships with its suppliers and contractors
- pays suppliers and contractors in accordance with agreed terms
- contributes to making the communities in which it operates better places to live and do business
- protects the environment in terms of its use of resources and minimisation of waste and pollution
- is financially accountable to its shareholders and communicates to them all matters material to the organisation
- protects shareholders' funds, manages risks and ensures that funds are used as agreed.
- communicates to shareholders all matters that are material to an understanding of its corporate governance.

Currently, the Group has not established actions for all areas of the policy and procedures to measure the impact of the actions. However, during 2012 the Group has acted in accordance with the policy and among other things the Group's subsidiaries in Russia and Ukraine have supported local municipalities and organisations by

- making non-returnable charity and financial aid payments
- buying renovation materials or organizing small renovation works for schools, churches, kindergartens
- buying necessary equipment and furnishing for the various local organisations (incl. sports equipment and clothing for the football team, machinery and furnishing for schools and other local organisations)
- doing gifts for children, students or veteran organisations
- supporting other local activities (for example supporting veteran's trips, organising local events, transportation and catering).

The Group has also given financial aid and organised events and training for its employees and bought Christmas gifts for the children of the employees.

In 2013 the Group plans to continue acting in accordance with the policy of the social responsibility including providing stable income to its employees, job training, stable tax returns for regional governments, supporting the development of a social welfare system in its regions of operations and acting.

FINANCIAL HISTORY

Balance sheet, EUR thousand	31.12.2007	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012
Total assets	71,410	154,731	155,392	148,121	194,360	210,100
incl Non-current assets	26,890	69,744	101,590	112,180	119,944	164,181
incl Property, plant and equipment	21,744	54,638	80,934	100,708	83,228	147,473
Investment in property, plant and equipment	16,142	18,605	32,988	25,186	8,659	9,059
Net debt	-31,640	-7,151	-61	-2,073	40,434	53,167
Total equity	64,280	134,582	113,836	120,387	122,098	128,566

Cash flow statement, EUR thousand	2007	2008	2009	2010	2011	2012
Cash flows from operating activities	-2,759	-19,645	-16,621	9,183	-11,127	10,745
Cash flows from investing activities	-19,416	-95,890	3,311	-8,594	-20,473	-19,249
Cash flows from financing activities	56,119	98,304	-1,017	5,294	39,974	-2,551
Effects of exchange rate changes	-600	-304	832	319	65	-68
Cash and cash equivalents at beginning of period	2,358	35,702	18,167	4,672	10,874	19,313
Cash and cash equivalents at end of period	35,702	18,167	4,672	10,874	19,313	8,190

Key figures	31.12.2007	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012
Number of shares, end of the period	59,627,479	129,627,479	129,627,479	129,627,479	129,627,479	129,627,479
Number of shares outstanding, end of the period	59,627,479	129,627,479	116,936,479	129,627,479	129,627,479	129,627,479
Land under control, hectares	26,815	144,229	170,005	170,956	176,891	169,811
incl land under registered ownership, hectares	18,005	85,229	136,626	167,725	114,787	113,767

Ratios	2007	2008	2009	2010	2011	2012
Earnings per share (EPS), EUR	0.00	0.00	-0.10	-0.10	0.01	0.01
Dividends per share, EUR	0.00	0.00	0.00	0.00	0.00278	0.00390*
Book value per share, EUR	1.08	1.04	0.97	0.93	0.94	0.99
Return on assets (ROA)	0%	-2%	-8%	-5%	1%	1%
Return on equity (ROE)	0%	-2%	-11%	-6%	1%	1%
Equity ratio, %	90%	87%	73%	81%	63%	61%
Current ratio	16.30	7.07	3.30	3.00	4.56	1.65
Acid test	13.94	5.13	2.07	1.82	2.37	0.68

*Based on the dividend policy, the Management of the Company shall propose in the Annual General Meeting to distribute 30% of the Group´s 2012 net profit to shareholders as dividends

For definitions of the ratios please refer to page 108.

THE TRIGON AGRI SHARE

Share information

Official listing:	OMX NASDAQ Stockholm
Form of listing:	Common stock
Round lot:	500
Sector:	Agricultural Products
Exchange ISIN:	DK0060083566
Short name:	TAGR
Reuters ticker:	TAGR.ST
Bloomberg ticker:	TAGR:SS
Analyst coverage:	Pareto Öhman Remium Nordic AB SEB Enskilda

Dividend policy

It is the Company's continual policy to seek to distribute 30% of the Group's annual audited net profits as dividends to shareholders to the extent this is consistent with the Danish Companies Act. The first year when Trigon Agri showed net profit was in 2011 and in total Trigon Agri distributed EUR 360 thousand to the shareholders as dividends.

Based on the dividend policy, the Management of the Company shall propose in the Annual General Meeting to distribute 30% of the Group´s 2012 net profit to shareholders as dividends i.e. EUR 506 thousand.

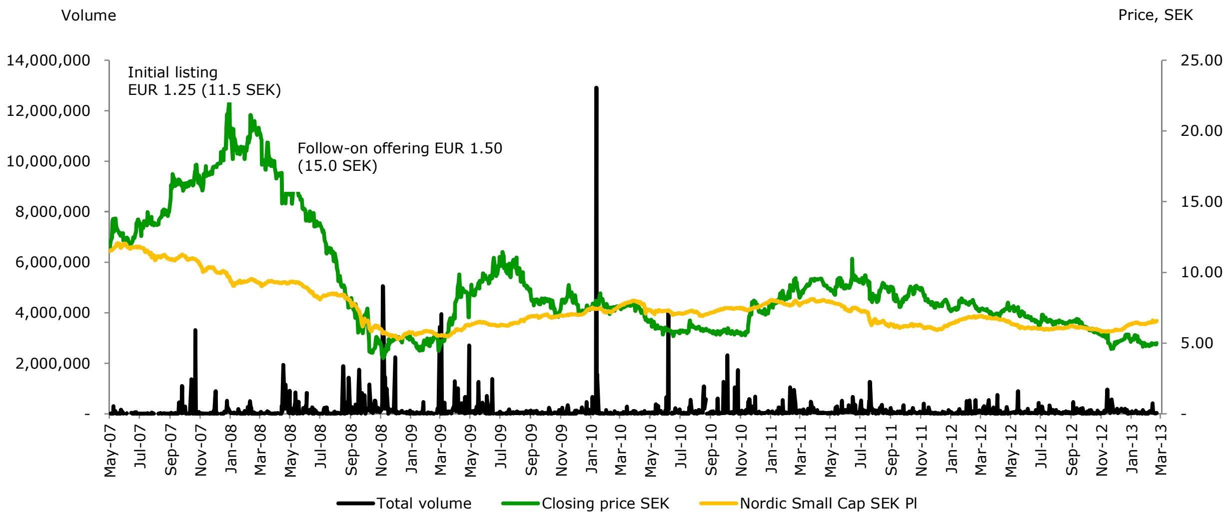
Change of control

Please refer to Note 29 for change of control disclosures.

Major nominee shareholders as at 31.12.2012	**Country**	**No of shares**	**Holdings in %**
JPM CHASE NA	United Kingdom	12,583,654	9.7%
SWEDBANK	Estonia/Sweden	12,207,556	9.4%
ALECTA PENSIONSFÖRSÄKRING	Sweden	11,400,000	8.8%
SSB CL OMNIBUS AC OM09 (30PCT)	USA	9,338,772	7.2%
UB SECURITIES AB	Finland	8,712,501	6.7%
J P MORGAN CLEARING CORP, W9	USA	8,308,845	6.4%
MORGAN STANLEY & CO INC, W9	USA	7,085,409	5.5%
FIM BANK LTD	Finland	5,533,718	4.3%
NORDEA BANK FINLAND ABP	Finland	5,238,731	4.0%
CBLDN-POHJOLA BANK PLC CLIENT A/C	Canada	4,851,031	3.7%
SIX SIS AG, W8IMY	Switzerland	3,994,770	3.1%
GMO FOREIGN SMALL COMP FUND	USA	3,757,483	2.9%
OTHER		36,615,009	28.2%
TOTAL		**129,627,479**	**100.0%**

As at December 31, 2012 Trigon Agri had approximately 1,100 shareholders.

Trigon Agri Share trade data	**2010**	**2011**	**2012**
MCap (period end), SEK	920,355,101	1,017,575,710	674,062,891
Average no of trades per day	16	37	28
Average volume per trade	10,971	2,580	3,061
Average number of traded shares per day	179,202	95,214	84,910
Average turnover per day, SEK	1,200,365	843,716	564,293
Average turnover per trade, SEK	73,486	22,864	20,342



Group changed its listing currency from EUR to SEK on May 11, 2010.

TRIGON AGRI BONDS

Bonds information

Official listing:	Corporate Bond List of OMX NASDAQ Stockholm
Exchange ISIN:	SE0004019008
Short name:	TAGR 001 O2
Currency:	SEK
Annual interest rate:	11%
Expiry date:	29.06.2015
Next coupon date:	29.06.2013

FINANCIAL CALENDAR

Annual General meeting **April 29, 2013**	**Interim Report 1Q 2013** **May 31, 2013**	**Interim Report 2Q 2013** **August 30, 2013**
Interim Report 3Q 2013 **November 29, 2013**	**Interim Report 4Q 2013** **February 28, 2014**	**Annual Report 2013** **March 31, 2014**

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

in EUR thousand	**Note**	**31.12.2012**	**31.12.2011**
ASSETS			
Current assets			
Cash and cash equivalents	5,7	8,190	19,313
Trade and other receivables	6,7	10,705	19,282
Inventories	8	21,459	29,865
Biological assets	9	5,500	5,818
Assets held for sale		65	138
		45,919	**74,416**
Non-current assets			
Prepaid land rents and land usage rights	13	4,043	5,876
Other non-current prepayments	6	2,426	2,209
Biological assets	9	9,117	5,143
Deferred tax assets	16	775	817
Other non-current assets		-	6
Investment Property	10	-	22,486
Intangible assets	12	347	179
Property, plant and equipment	11	147,473	83,228
		164,181	**119,944**
Total assets		**210,100**	**194,360**
LIABILITIES			
Current liabilities			
Trade and other payables	7,14	16,031	8,446
Borrowings	7,15	11,871	7,891
		27,902	**16,337**
Non-current liabilities			
Trade and other payables	7,14	755	392
Borrowings	7,15	49,486	51,856
Deferred tax liabilities	16	2,817	3,077
Deferred income from EU subsidies		574	600
		53,632	**55,925**
Total liabilities		**81,534**	**72,262**
EQUITY			
Capital and reserves attributable to equity holders of the Group			
Ordinary shares	17	64,814	129,627
Share premium	17	99,941	35,127
Other reserves	19	-16,762	-20,658
Retained earnings/accumulated deficit		-19,920	-22,426
		128,073	**121,670**
Non-controlling interest in equity		493	428
Total equity		**128,566**	**122,098**
Total equity and liabilities		**210,100**	**194,360**

The notes on pages 53 to 105 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

in EUR thousand	Note	2012	2011
Revenue	20	73,317	47,995
Other income	20	2,943	2,663
Gain/loss arising from changes in fair value less estimated point-of-sale costs of biological assets	9	346	273
Total revenue, other income and fair value adjustments		**76,606**	**50,931**
Net changes in inventories of agricultural produce and work in process		**-3,600**	**20,149**
Cost of purchased goods for trading purposes		-14,165	-10,706
Raw materials and consumables used for production purposes	21	-39,577	-31,634
Employee benefits expense	22	-10,980	-9,443
Depreciation and amortization		-8,634	-7,815
Other administrative expenses	24	-10,078	-9,117
Gain from bargain purchase	31	1,734	-
Other (losses)/gains - net	25	19,540	3,877
		10,846	**6,242**
Gains/losses from exchange rate differences		-1,431	-948
Interest income	26	97	312
Finance costs	26	-7,353	-4,464
Profit before income tax		**2,159**	**1,142**
Corporate income tax	16	-472	60
Profit for the year		**1,687**	**1,202**
Attributable to:			
Equity holders of the Company		1,620	1,116
Non-controlling interest		67	86
		1,687	**1,202**
Earnings/loss per share for profit attributable to the equity holders of the Company during the period, both basic and diluted (expressed in Euros per share)	27	0.01	0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand		2012	2011
Profit for the period		**1,687**	**1,202**
Other comprehensive income:			
Currency translation differences	19	4,633	1,021
Total comprehensive income for the period		**6,320**	**2,223**
Attributable to:			
Equity holders of the Company		6,253	2,137
Non-controlling interest		67	86
		6,320	**2,223**

The notes on pages 53 to 105 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousand	Share capital	Share premium	Other reserves	Retained earnings/ accumulated deficit	Total	Non-controlling interest	Total Equity
	Attributable to equity holders of the Company						
Balance 31.12.2010	**129,627**	**35,127**	**-19,991**	**-24,718**	**120,045**	**342**	**120,387**
Profit for the period	-	-	-	1,116	**1,116**	86	**1,202**
Other comprehensive income	-	-	1,021	-	**1,021**	-	**1,021**
Total comprehensive income	**-**	**-**	**1,021**	**1,116**	**2,137**	**86**	**2,223**
Cost of expected equity transaction	-	-	-	-512	**-512**	-	**-512**
Reclassification of warrants reserve	-	-	-1,688	1,688	**-**	-	**-**
Total contributions by and distributions to owners of the parent,	**-**	**-**	**-1,688**	**1,176**	**-512**	**-**	**-512**
Balance at 31.12.2011	**129,627**	**35,127**	**-20,658**	**-22,426**	**121,670**	**428**	**122,098**
Profit for the period	-	-	-	1,620	**1,620**	67	**1,687**
Other comprehensive income	**-**	**-**	1,473	-	**1,473**	**-**	**1,473**
Other comprehensive income recycled to Income statement in relation to disposal of subsidiaries	**-**	**-**	3,160	-	**3,160**	**-**	**3,160**
Total comprehensive income	-	**-**	**4,633**	**1,620**	**6,253**	**67**	**6,320**
Cost of expected equity transaction recycled to Income statement (Note 25)	-	-	-	512	**512**	-	**512**
Reclassification of warrants reserve (Note 19)	-	-	-737	737	**-**	-	**-**
Reduction in share capital (Note 17)	-64,814	64,814	-	-	**-**	-	**-**
Dividends (Note 18)	-	-	-	-360	**-360**	-	**-360**
Total contributions by and distributions to owners of the parent, recognised directly in equity	**-64,814**	**64,814**	**-737**	**889**	**152**	**-**	**152**
Non-controlling interest from business combination	-	-	-	-	**-**	35	**35**
Purchase of non-controlling interest	-	-	-	-	**-**	-35	**-35**
Total transactions with owners of the parent, recognised directly in the equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31.12.2012	**64,814**	**99,941**	**-16,762**	**-19,920**	**128,073**	**493**	**128,566**

	31.12.2012	31.12.2011
Total number of	**129,627,479**	**129,627,479**
Number of shares outstanding	**129,627,479**	**129,627,479**

The notes on pages 53 to 105 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousands	Note	2012	2011
Cash flows from operating activities			
Cash receipts from customers		82,468	54,434
Cash paid to suppliers and employees		-73,091	-65,997
Income tax paid	16	-748	-908
Subsidies received		2,035	1,240
Interest received	26	81	104
Net cash generated from/used in operating activities		**10,745**	**-11,127**
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	31	-6,676	-2,208
Cash outflow from disposal of subsidiaries	31	-49	-
Purchase of biological assets	9	-	-496
Purchase of property, plant and equipment	11	-10,660	-12,087
Purchase of intangible assets	12	-448	-
Proceeds from sales of property, plant and equipment	11	66	318
Short-term loans given, net	6	-1,482	-6,000
Net cash used in investing activities		**-19,249**	**-20,473**
Cash flows from financing activities			
Proceeds from bonds net of fees	15	-	36,884
Proceeds from borrowings	15	16,020	17,966
Repayments of borrowings and finance lease liabilities	15	-11,664	-13,020
Dividends paid to company`s shareholders	18	-263	-
Interest paid	26	-6,644	-1,856
Net cash generated from/used in financing activities		**-2,551**	**39,974**
Net increase in cash and cash equivalents		**-11,055**	**8,374**
Effects of exchange rate changes on cash and cash equivalents		-68	65
Cash and cash equivalents at beginning of period	5	19,313	10,874
Cash and cash equivalents at end of period	**5**	**8,190**	**19,313**

The notes on pages 53 to 105 are an integral part of these consolidated financial statements.

CONTENTS OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Trigon Agri A/S (The Company) is an integrated soft commodities producer (operating commercial cereals and dairy farms), storage provider and trader with operations in Ukraine, Russia and Estonia. The Company was established on December 11, 2006. The Company has subsidiaries in Estonia, Cyprus, Russia, Ukraine and Switzerland (together hereinafter referred to as "the Group"). _The list of all Group subsidiaries is provided in Note 32

The parent company is a limited liability company incorporated and domiciled in Denmark. The address of its registered office is Sundkrogsgade 5, DK-2100 Copenhagen. The company listed its shares on the Stockholm First North Stock Exchange in May 18, 2007. From December 8, 2010 the company's shares are traded in main market Small Cap segment on NASDAQ OMX Stockholm. The Group's owners are legal and physical persons and no sole shareholder has control over the Group's activities.

These financial statements were authorised for issue by the Board of Directors on March 28, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

2.1 BASIS OF PREPARATION

The consolidated financial statements of Trigon Agri A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional Danish statutory disclosure requirements for annual reports. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of biological assets, available-for-sale financial assets and financial assets at fair value through profit or loss.

The reporting period of the financial statements is the calendar year.

The Company prepares its separate financial statements in accordance with IFRS and the additional Danish requirements for annual reports. Parent company financial statements are presented after notes to the consolidated financial statements in the same set of financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

There are no new or revised standards or interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that would be expected to have a material impact to the Group.

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 1 January 2013, and which the Group has not early adopted.

- Presentation of Items of Other Comprehensive Income, amendments to IAS 1; (effective for annual periods beginning on or after 1 July 2012). The amendments require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. The suggested title used by IAS 1 has changed to 'statement of profit or loss and other comprehensive income'. The Group is currently assessing the impact of the standard on its financial statements.
- IFRS 13, Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013) aims to improve consistency and reduce complexity by providing a revised definition of fair value, and a single source of fair value

measurement and disclosure requirements for use across IFRSs. The Group is currently assessing the impact of the standard on its financial statements.

- IFRS 12, Disclosure of Interest in Other Entities (effective for annual periods beginning on or after 1 January 2014), applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an separately structured entity. IFRS 12 sets out the required disclosures for entities reporting under the two new standards: IFRS 10, Consolidated financial statements, and IFRS 11, Joint arrangements, and replaces the disclosure requirements currently found in IAS 28 "Investments in associates". IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and separately structured entities. To meet these objectives, the new standard requires disclosures in a number of areas, including (i) significant judgements and assumptions made in determining whether an entity controls, jointly controls, or significantly influences its interests in other entities, (ii) extended disclosures on share of non-controlling interests in group activities and cash flows, (iii) summarised financial information of subsidiaries with material non-controlling interests, and (iv) detailed disclosures of interests in separately structured entities. The Group is currently assessing the impact of the standard on its financial statements.

There are no other new or revised standards or interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Any difference between fair value and carrying value of assets transferred is recognised in the income statement. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Losses are also eliminated but considered whether they indicate an impairment that requires recognition in consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currencies of group entities are the following: for Estonian subsidiaries the Euro, for Ukrainian subsidiaries the Ukrainian hryvna, for Russian subsidiaries the Russian rouble, for Cypriot subsidiaries the Euro and for Danish parent company the Euro). The consolidated financial statements are presented in Euro, which is the functional currency for the parent company and the presentation currency for the group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash equivalents are presented in the income statement within 'Gains/losses from exchange rate differences'. All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains – net.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The following year-end exchange rates as quoted by the European Central Bank or Ukrainian Central Bank have been used for December 31, 2012 in translation to the presentation currency: 1 Euro = 10.5372 Ukrainian hryvnas, 1 Euro = 40.3295 Russian roubles. The average rates used in translating of income statement lines were: 1 Euro = 10.2706 Ukrainian hryvnas, 1 Euro = 39.9262 Russian Roubles.

The following year-end exchange rates have been used for December 31, 2011 in translation to the presentation currency: 1 Euro = 10.3380 Ukrainian hryvnas, 1 Euro = 41.7650 Russian roubles, 1 Euro = 1.2939 US dollars. The average rates used in translating of income statement lines were: 1 Euro = 11.09064 Ukrainian hryvnas, 1 Euro = 40.8846 Russian Roubles, 1 Euro = 1.3920 US dollars.

2.4 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is stated at historical cost less depreciation and impairment, where required. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Buildings 25-40 years
- Machinery 7-20 years
- Vehicles 3-5 years
- Furniture, fittings and equipment 3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within Other gains/losses – net, in the income statement.

Borrowing costs are capitalised in the cost of the item of property, plant and equipment if they are directly attributable to the acquisition, construction or production of the qualifying asset.

2.5 INTANGIBLE ASSETS

(a) Licences

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of two to ten years.

2.6 INVESTMENT PROPERTY

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Changes in fair value are recognised in the income statement.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 FINANCIAL ASSETS

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables, available for sale, and at fair value through profit and loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group only has financial assets in category "Loans and receivables".

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's loans and receivables comprise "Trade and other receivables" (see Note 6) and Cash and cash equivalents (see Note 5) in the balance sheet. See Note 2.12 for measurement of trade receivables.

(b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in Note 2.12.

(c) Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.9 AGRICULTURE

Agricultural activity is defined by the management as an activity of the biological transformation of biological assets for sale into agricultural produce or into additional biological assets. Agricultural produce is defined as the harvested product of the Group's biological assets and a biological asset is defined as a living animal or plant. The Group has determined the groups of its biological assets to be livestock and growing crops.

Biological assets are measured on initial recognition and at each balance sheet date at its fair value less estimated point-of-sale cost, except for the case where the fair value cannot be measured reliably on initial recognition. Agricultural produce harvested from the Group's biological assets is measured at its fair value less estimated point-of-sale costs at the point of harvest and is subsequently recorded as inventories and measured in accordance with the accounting principles of inventory (Note 2.11 (a)).

If an active market exists for a biological asset or agricultural produce, the quoted price in that market is the appropriate basis for determining the fair value of that asset. If an active market does not exist the most proximate market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the balance sheet date, is used in determining fair value. Cost is used as an approximation of fair value when little biological transformation has taken place since initial cost incurrence, e.g. within short time after seeding the crop.

A gain or loss arising on initial recognition of a biological asset at fair value less estimated point-of-sale costs and from a subsequent change in fair value less estimated point-of-sale costs of a biological asset is included in profit or loss for the period in which it arises as "Gain/loss arising from changes in fair value less estimated point of sale costs of biological assets".

The biological assets are recorded as current and non-current biological assets based on the operational cycle of the respective biological assets. In general, biological assets of growing plants are recognised as current assets, because the operational cycle is less than 12 months. Dairy herd is recorded as non-current biological asset.

(a) Livestock and dairy herd

Livestock are measured at their fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit based on the relevant market. The fair value of dairy herd also takes into account the milk quota attached to the herd.

Milk within EU can be sold based on milk quotas allocated by the State for each producer. The milk quota itself cannot be separated from the herd and the agricultural business as it is not possible to trade with the quota in EU countries where the Group operates without selling it together with the herd and the agricultural business. Also, there is no active market available for the herd without the milk quota. As the fair value of the herd can be determined reliably only together with the attached milk quota, the Group considers the milk quota to be an integral part of the fair value of the dairy herd.

Milk outside EU can be sold free of any quota and therefore the fair value of herd is not affected by the sales restrictions.

(b) Crops – cereals and grassland

Crops are measured at their fair value less estimated point-of-sale costs. At initial recognition (after seeding) the crops are measured at cost as the market-determined values are not available for such biological assets. The cost includes direct costs related to the management of the biological transformation of biological assets, like costs of seeds, fertilising, cultivation, labour costs of employees directly involved in production process, fuel and energy and related production overheads (based on normal operating capacity). The crops are measured at fair value once the fair value becomes reliably measurable. Usually the fair value of a crop can be reliably measured only immediately before harvest. This does not create a significant limitation in valuation of crop balances at year-end, as the main increase in fair value is attributable to the same accounting period when the crop is harvested.

2.10 GOVERNMENT GRANTS

(a) Government grants related to agricultural activity

An unconditional government grant related to a biological asset measured at its fair value less estimated point-of-sale costs is recognised as income when the government grant becomes receivable (government grants for dairy herd, general area- aid subsidies). If a government grant related to a biological asset measured at its fair value less estimated point-of-sale costs is conditional, including whereby a government grant requires a Group company not to engage in specified agricultural activity, the Group recognises the government grant as income when the conditions attaching to the government grant are met (investment subsidies, area-aid environmental subsidies) and until then aid received is recognised as a liability.

(b) Government grants related to purchase of property, plant and equipment

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are amortised to the income statement on a straight-line basis over the expected lives of the related assets.

(c) Ukraine VAT treatment for companies under agricultural regime

In Ukraine there is a special VAT treatment for companies under agricultural regime. Companies under agricultural regime are not obliged to pay VAT and the net of VAT receivable and payable is recorded under Other Losses/Gains. Amount recognized under Other Losses/Gains is measured as a difference between VAT on sales invoices issued during the year and purchase invoiced received during the year.

2.11 INVENTORIES

(a) Agricultural produce

(i) Milk

Milk is initially measured at its fair value less estimated point-of-sale costs at the time of milking and subsequently recorded as inventories. The fair value of milk is determined based on market prices in the local area.

(ii) Grain- own produced (harvested)

Grain and feeds produced by the Group are initially measured at its fair value less estimated point-of-sale costs at the time of harvest and recorded in inventories until sold to third parties or used internally for feeding animals or for seeds. Grains and feed produced by the Group is subsequently measured at net realisable value. The net realisable value of feed is determined based on market prices in the local area. The net realisable value of grain is determined based on quoted prices on the nearest market or if multiple markets are available, of the market where the Group’s company expects to sell the produce.

(iii) Other agricultural produce

Other agricultural produce are initially recorded cost. Cost of other agricultural produce is determined using FIFO method. Write-down of other agricultural produce (excluding grain) to the net realisable value (if lower than cost) is included in income statement as change is inventories. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(b) Grain – purchased from third parties

Purchased grain from third parties is initially recorded at purchase price and subsequently measured at fair value less estimated costs to sell. The fair value of grain is determined based on quoted prices on the nearest market or if multiple markets are available, of the market where the Group's company expects to sell the produce.

(c) Work-in-progress related to field preparation

Cost of agricultural preparation on fields before seeding is recorded as work-in-progress in inventories. Work in progress comprises raw materials, direct labour costs, other direct costs and overheads (based on normal operating capacity). After seeding the cost of field preparation is reclassified as biological assets held at fair value (Note 2.9 (b)).

(d) Raw materials

Inventories are stated at the lower of costs and net realisable value. Cost is determined using first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.12 TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Deposits over three months are classified as cash and cash equivalents if they are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.14 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowing costs are capitalised to the cost of a qualifying asset if these are directly attributable to the acquisition, construction or production of the asset and the capitalisation rate is disclosed in Notes. Other borrowing costs are recognised as expense.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.17 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

a) Corporate income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The effective income tax rate in Ukraine is 21% (in 2011 23%) and in Russia 20%. Agricultural producers in both Ukraine and Russia are exempted from the ordinary corporate income tax system if they meet the requirements to be recognised as agricultural producers (Note 2.17 (b)). The income tax in Estonia is calculated only on distributed earnings with the effective rate 21/79 of the distributed amount (Note 2.17 (c))

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention and ability to settle the balances on a net basis.

b) Agricultural tax regimes in Ukraine and Russia

Both in Ukraine and Russia companies are exempt from ordinary corporate income tax regime if they meet criteria to be recognised as agricultural producers.

In Ukraine, a company is considered to be an agricultural producer if it derived at least 75% of its revenue in the previous tax year from the sales of self-produced agricultural product. Simplified agricultural tax means that the agricultural producer pays tax based not on its profits, but on the total area used for agricultural production.

In Russia a company can apply for the agricultural tax regime if it meets the criteria of an agricultural company. However, the companies on a general tax regime having the revenue from sales of self-produced agricultural produce have reduced tax rates.

c) Income tax in Estonia

According to the Income Tax Act of Estonia, the annual profit earned by enterprises is not taxed and thus there are no temporary differences between the tax bases and carrying values of assets and liabilities and no deferred tax assets or liabilities arise. Instead of taxing the net profit, the distribution of retained earnings is subject to income tax of 21/79 of the amount paid out as dividends. The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared, regardless of the actual payment date or the period for which dividends are paid.

2.18 EMPLOYEE BENEFITS

(a) Pension obligations and other post-employment obligations

The Group does not operate pension schemes and does not provide post-retirement benefits to their retirees. Pension obligations may arise due to a legal obligation to pay for the incapability to work because of an accident.

The Group has legal obligation to pay contributions to the state pension funds according to the local regulations of each country of location. The contributions to the local pension funds are treated as social security tax payments.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

2.19 PROVISIONS

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods – agricultural produce

The Group's main revenue arises from the sales of agricultural produce – grain and milk. The agricultural produce is subject to quality control at the point of sale and the sales value is depending on the quality. Revenue from sales of agricultural produce is recognised after the results of quality control are available.

(b) Sales of biological assets

The Group sells living animals for slaughtering. The revenue from sales of living animals is recognised after the animals have been delivered to the slaughterhouse.

(c) Sales of services

The Group occasionally sells services to other agricultural producers. Revenue from the services is recognised when the service has been provided.

(d) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.21 LEASES

The Group as a lessee.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Land lease is considered to be operating lease unless the title of the land passes to the lessee at the end of the lease period.

Leases in which the risks and rewards incidental to the ownership of an asset are transferred substantially to the lessee are classified as finance leases. At the commencement of the lease term, the Group recognises the asset purchased on finance lease term on its balance sheet at the amount lower of the present value of future rent payments of fair value of the leased asset.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of future finance charges, are included in borrowings. The interest cost is charged to the income statement over the lease period using the effective interest method. The assets acquired under finance leases are depreciated over the shorter of their useful life or lease term if the Group is not reasonably certain that it will obtain ownership by the end of the lease term.

2.22 DIVIDEND DISTRIBUTION

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

2.23 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Board. The Executive Board considers the business from a geographical and operational perspective. Local production units, which are interlinked with each other in operational activities, are aggregated in the internal reporting in production clusters. Segments are presented to the management on aggregated unit basis, indicating separately plant cultivation and animal husbandry if they are both material for the clusters' revenue.

2.24 SHARE-BASED PAYMENTS

The fair value of services assumed to have been received in exchange for the equity instruments (warrants) issued is generally recognised as an expense in the income statement and in other reserves in equity during the vesting period (from the grant date of warrants until the vesting date). In case the services assumed form part of the costs directly attributable to the issue of new shares, the costs are shown in equity as a deduction from the proceeds as a part of related translation costs and not as an expense in the income statement. The fair value of the services received is determined by reference to the fair value (market value) of equity instruments granted at the grant date, which equals the fair value of services received by the Group. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.25 CHANGES TO COMPARATIVES

Certain changes have been made to the presentation of gains and losses in the income statement. In particular, any gains relating to remeasurement of investment properties (in 2012 gain from foreign exchange rate differences in amount of EUR 345 thousand; in 2011, Gain from revaluation of investment property in the amount of EUR 4,386 thousand) have been reclassified from line item 'Other income' to line item 'Other (losses)/gains - net'."

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, commodity price risk, cash flow interest rate risk, fair value interest rate risk), credit risk, liquidity risk and capital repatriation risk. The Group's overall risk management program acknowledges the unpredictability of financial markets and on the basis of the current business operations of the Group the management is following financial risk management policies to minimise potential adverse effects on the Group's financial performance from unpredictable fluctuations in the financial markets. The Group's centralised controlling and risk management function carries out risk management activities on a day-to-day basis in close cooperation with the regional management members.

(a) Market risk

(i) Foreign exchange risk

The Group operates in Estonia, Ukraine and Russia and is exposed to foreign exchange risk arising primarily from exposures to the US dollar, Russian rouble, Ukrainian hryvna and Swedish krona. Foreign exchange risks from US dollar, Swedish krona, Russian rouble and Ukrainian hryvna arise mainly from recognised assets and liabilities. Foreign exchange risk from Swedish krona arises from Trigon Agri four-year bonds issued in 2011. The Group has not implemented any currency risk management policies. Ukrainian hryvna, Russian rouble, Swedish krona and US dollar have floating exchange rate.

The average value of hryvna relative to euro depreciated in 2012 (appreciated in 2011).

Russian rouble had appreciation in value in 2012 (depreciation relative to euro in 2011).

Swedish krona appreciated relative to euro in 2012 (depreciated relative to euro in 2011).

	Reasonably possible change	Impact on Income statement
UAH	+/- 10%	802
RUB	+/- 10%	-13
SEK	+/- 10%	-4,225
USD	+/- 10%	-883

The changes in exchange rates of Russian rouble and Ukrainian hryvna have been favourable to the Group's business in 2012 (favourable in 2011). The changes in exchange rates of rouble and hryvna increased the value of the net investment in 2012 (increased in 2011).

(ii) Commodity price risk

The Group is exposed to commodities price risk because of the significant size of its business operations in the production of cereals. In case cereals produced by the Group in Russia and Ukraine are primarily exported, a significant share of the Group's revenues will be exposed to global fluctuations in agricultural commodity prices. The milk production operations of the Group are to a much lesser extent affected by global commodity prices since the raw milk is sold regionally and cannot be exported over long distances. This is further supported by the fact that milk powder, a milk product commodity which can be transported over long distances, does not directly compete with raw milk due to the inferiority of milk powder based end-product quality. Such lower quality makes milk powder a secondary raw material to the milk processing companies operating in the target countries of the Group and allows the Group to negotiate fresh high quality raw milk price relatively independently of global milk powder price levels.

The Group's strategy is not to hedge against any commodity price movements in order to provide its shareholders a direct exposure to the fluctuation in the market. Unlike traditional large-scale farming enterprises that have typically used a financial hedging strategy to protect against adverse price fluctuations or the risks inherent in a highly seasonal business, the Group does not engage in any commodity hedging. The Group believes that its diversified geographic production base, its crop rotation system and its combination of cereal production and dairy farming provide its business with sufficient operational stability, while enabling investors to pursue their own individual hedging strategies.

(iii) Cash flow and fair value interest rate risk

As the Group has no significant floating interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Cash (see Note 5) is invested in short term deposits and thus interest rate risk does not affect significantly the Group.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing.

Breakdown between floating and fixed interest rates for the existing borrowings of the Group is shown below:

in EUR thousand	**31.12.2012**	**31.12.2011**
Bank borrowings and finance lease (outstanding amount)		
Floating rate	8,083	3,124
incl. related to 5-year EURIBOR	723	798
incl. related to 6-month EURIBOR	6,283	1,217
incl. related to bank´s base interest rate	1,077	1,109
Fixed rate	53,274	56,623
	61,357	**59,747**

At 31 December 2012, if interest rates on floating interest rate borrowings at that date had been 50 basis points higher with all other variables held constant, net profit for the year would have been EUR 40 thousand lower, as a result of higher interest expense on floating rate borrowings. At 31 December 2011, if interest rates on floating interest rate borrowings at that date had been 50 basis points lower (higher) with all other variables held constant, net profit for the year would have been EUR 16 thousand higher (lower), as a result of lower (higher) interest expense on floating rate borrowings

(b) Credit risk and counterparty business risk

Credit risk for the Group arises from cash and cash equivalents, deposits with banks and financial institutions and customers, including outstanding receivables and committed transactions. Credit limits are not normally set for individual companies, as all balances are closely monitored specifically (see also Note 6 for details). For banks and financial institutions, the Group's policy is to work with institutions, which have an internationally reputable strategic shareholder as the majority investor. (See also Note 5 for details).

(c) Liquidity risk

The Group's main liquidity risks derive from the cyclical nature of agricultural production. Field-works in spring and harvest in autumn entails concentration of costs and working capital need in the spring season and concentration of revenues in the autumn season. The cyclicality is stronger in cereals production and much lower in dairy production, as dairy production revenues accrue evenly throughout the whole operating year. The Group has been lowering the cyclicality also in cereals production by acquiring its own warehousing infrastructure to store grain for longer time periods and to be able to sell cereal products more evenly throughout the year. In addition, the management monitors the liquidity risk by following the main key performance indicators on a continuous basis, including cash flows.

The undiscounted gross payments of all borrowings and trade payables are presented in the included tables

in EUR thousand	Total 31.12.2012	No later than 12 months	Between 1 and 5 years	Over 5 years	Maturity	Interest rate
Borrowings and finance leases	74,631	15,276	59,049	306		
incl. related to 6-month EURIBOR	6,589	668	5,915	6	2013-2018	6-month EURIBOR+1.4%-2.7%
incl. related to 5-year EURIBOR	858	110	448	300	2020	5-year EURIBOR+1.9%
incl. related to bank´s base interest	1,106	121	985	-	2014	bank´s base interest rate+1.5%
inc.with fixed interest rate	12,351	9,762	2,589	-	2013-2017	no interest, 2.3%-17%
incl. fixed interest rate bond	53,727	4,615	49,112	-	2015	11%
Trade payables	14,324	13,330	473	521	2013-2054	no interest rate, 5%-6%
Total	**88,955**	**28,606**	**59,522**	**827**		

in EUR thousand	Total 31.12.2011	No later than 12 months	Between 1 and 5 years	Over 5 years	Maturity	Interest rate
Borrowings and finance leases	64,633	9,625	52,943	2,065		
incl. related to 6-month EURIBOR	1,233	384	779	70	2012-2018	6 month EURIBOR+ 1.4%-2.7%
incl. related to 5-year EURIBOR	944	105	321	518	2020	5 year EURIBOR +1.5%
incl related to bank's base interest for EEK loans	1,306	141	1165	-	2014	bank's base interest for EEK loans + 1.5%
incl. with fixed interest rate	20,802	8,995	10,330	1,477	2012-2017	5%-23%
incl. fixed rate bond	40,348	-	40,348	-	2015	11%
Trade payables	4,831	4,501	260	40	2012-2054	no interest rate, 5%-14%
Total	**69,464**	**14,126**	**53,203**	**2,105**		

3.2 CAPITAL RISK MANAGEMENT

The Group considers as capital its equity and borrowings.

All significant bank borrowings of the Group will be approved by the Board of Directors of the Group prior to being drawn upon. The Board of Directors will also approve the leveraging strategy to be worked out by the management, keeping in mind (i) safeguarding the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and (ii) development of an optimal capital structure so as to reduce the cost of capital.

As of December 31, 2012 (and as of December 31, 2011), the Group was financed in addition to the owners' equity by proceeds of the four-year bond issue. For as long as the bonds remain outstanding, based on the Terms and Conditions of the bonds, the Group undertakes:

(a) to procure that the ratio of Financial indebtedness to shareholders' equity will never exceed seventy five (75) per cent. (calculated on the basis of audited annual financial reports, quarterly unaudited financial reports or, where relevant, a special financial report);

(b) not to for any financial year (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders or (iv) to make any other similar distribution to the shareholders of the

Company, if such distribution mentioned under (i), (ii), (iii) or (iv) above would exceed thirty (30) per cent. of the Net Profit;

(c) to take all measures required to ensure that the Bonds continue being listed on NASDAQ OMX for as long as any Bonds are outstanding (however, taking into account the rules and regulations of NASDAQ OMX and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds);

(d) not to:

(i)issue any Market Loans with higher priority than the Bonds;

(ii) provide or permit to subsist any security or permit someone else to provide or permit to subsist any security in the form of a contingent liability or otherwise to secure any present or future Market Loan of the Company; or

(iii) provide or permit to subsist any security over any of the Company's assets (present or future) to secure any present or future Market Loan taken up by any other person than the Company;

(e) to ensure that the Company's Subsidiaries do not issue any Market Loans and furthermore, when taking up a loan, observe the provisions in (d)(i)-(iii) above (for the avoidance of doubt, any reference to the Company under (d)(iii) above shall, when interpreting this provision be construed as a reference to the respective Subsidiary);

(f) not to use any of the proceeds from the issue of the Bonds outside of the ordinary course of business;

(g) to prepare and publish quarterly reports (which reports shall be prepared consistently with the same accounting principles that are applied when preparing the Company's annual financial reports and published not later than two (2) months after the end of the relevant quarter. Once the Bonds have been listed such reports shall be published in accordance with the then applicable regulations by NASDAQ OMX);

(h) not later than within twenty (20) days from the Agent's request to prepare a special unaudited financial report as per the historic date the Agent stated in its request (which report shall be prepared consistently with the same rules and accounting principles that are applied when preparing the Company's annual financial reports and quarterly financial reports); and

(i) together with each quarterly report or no later than twenty (20) days from the Agent's request, to provide a compliance certificate signed by two duly authorised signatories of the Company on its behalf, and accompanied by a report setting out the calculations of (and compliance with) the financial covenants, certifying that so far as it is aware no event which would entitle the Agent to accelerate the Bonds is outstanding or, if it is aware that such an event is outstanding, specifying the event and the steps, if any, being taken to remedy it.

According to the terms of bonds, the bonds will be redeemed early in case one or more persons acting together shall acquire control over Trigon Agri by acquiring control over more than 50% of voting rights in the company or over the right to appoint or remove the whole or majority of the Board of Directors.

The total Group capital is influenced by exchange rate fluctuations of Ukrainian hryvna, Russian rouble and Swedish krona, as described also in Note 3.1. a) i). The total recognised decrease in equity from currency translation differences amounted to EUR 19,610 thousand at December 31, 2012 (EUR 24,243 thousand at December 31, 2011).

According to the terms of bonds, the Group monitors capital on the basis of the Financial indebtedness to shareholders' equity ratio. Financial indebtedness" means the total amount of any indebtedness of the Group Company on a consolidated basis, at any given time, in respect of:

(a) the principal amount outstanding in respect of any monies borrowed or raised including, without limitation, pursuant to the Bonds;

(b) the principal amount outstanding in respect of any Market Loan;

(c) any Finance Lease;

(d) any net liability incurred under interest rate management arrangements;

(e) any guarantee or other assurance against financial loss in respect of a type referred to in the above items;

(f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(g) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles.

Shareholders' equity means the total shareholders' equity of the Group Company on a consolidated basis at any given time.

The Financial indebtedness to shareholders' equity ratios as at December 31, 2012 and December 31, 2011 were as follows:

in EUR thousand	31.12.2012	31.12.2011
Total borrowings (Note 15)	61,357	59,747
Total shareholders´ equity	128,073	121,670
Financial indebtedness to shareholders' equity	48%	49%

Capital repatriation risk

The capital repatriation risk derives from the Group's investments into Ukrainian and Russian subsidiaries. Potential changes in the political environment in Ukraine or Russia may impose restrictions on repatriating capital invested into these countries. The Group's policy is to make investments into Ukraine and Russia only via Cypriot holding companies. The advantageous double taxations treaties with Ukraine and Russia make Cyprus a favoured location of inward investments to these regions by several internationally recognised investors as well as for Ukrainian and Russian own capital, which seeks to have foreign domiciliation. In the assessment of the Group's management, carrying out investments into Ukraine and Russia via Cypriot holding companies is the best possible hedge for minimising capital repatriation risks.

3.3 FAIR VALUE ESTIMATION

The carrying value less impairment provision of trade receivables and trade payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments. The carrying amounts of the borrowings approximate their fair value.

Trigon Agri bonds are listed on NASDAQ OMX. As there have been no material transactions, the Group considers that the carrying amount of the bonds approximate their fair value.

3.4 OTHER RISK FACTORS

RISKS RELATED TO UKRAINIAN LAND RENTAL

Ukrainian law imposes several restrictions on ownership of agricultural land. Foreign citizens or foreign legal entities are not allowed to acquire agricultural land, and it is unclear whether a Ukrainian company controlled by non-Ukrainians may own agricultural land in Ukraine. Moreover, there is a blanket moratorium against selling freeholds of agricultural land until adoption of particular legal act on the land market and land cadastre in Ukraine.

The Group owns the buildings and structures of its Ukrainian farms and controls the Ukrainian land through registered long-term leases supplemented with a right of first refusal to acquire the freehold, or through signed, but not yet registered, leases. However, under the current legislation, the Group may not be able to exercise its right of first refusal to acquire the freehold. In the event that the Group's title to any of its land is challenged, and the Group is unable to defend such a claim, the Group risks losing its rights to such land which could materially affect the Group's business, financial condition, and operational results.

RISKS RELATED TO LAND OWNERSHIP IN RUSSIA

Russian law does not allow a foreign entity nor a foreign controlled Russian entity to own agricultural land in Russia. A Russian entity is considered a foreign controlled entity when more than 50 per cent of its share capital is owned by a foreign entity.

The Russian agricultural land of the Group is currently owned by Russian operating companies, which are wholly-owned subsidiaries of the relevant holding companies incorporated in Russia. The Russian parent holding companies are, in turn, owned (depending on the Company, directly or indirectly) by Cypriot holding companies. While this structure technically complies with the Russian law restriction on the foreign ownership of Russian agricultural land, no assurances can be given that the ownership structure could not be challenged on the basis that they possibly violate the spirit of the law. The Russian courts and legal system generally tend to adopt a formal approach to legislative interpretation. However, no assurance can be given as to how a Russian court would treat each particular situation brought to its consideration or as to future developments in the Russian legal system which may give greater weight to substance over form.

If the Russian agricultural land holding structure of the Group is found to breach the above mentioned Russian law restriction, the Group could be forced to either sell its land, or return the land to the previous owner (in which case it will be entitled to require the purchase price back from the previous owner), or introduce Russian shareholders to its subsidiaries, which may have a material adverse effect on the Group's business, financial condition and operational results.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Fair value of biological assets

The Group's biological assets are measured at fair value less point-of-sale costs at each balance sheet date (value at December 31, 2012 was EUR 14,617 thousand, value at December 31, 2011 was EUR 10,961 thousand). Due to the specifics of the agricultural production, fair value of some crops and animals cannot be determined reliably in their present status. The biological assets in the countries where the Group operates (Ukraine, Russia and Estonia) are mostly not traded on active market. Therefore the fair value is determined using the alternative methods described in Note 2.9. The use of alternative methods of fair value estimation requires the Group to refer to latest transactions and use price averages, or to use cost as an approximation of fair value in case when little biological transformation has taken place since initial cost incurrence, e.g. within short time after seeding the crop. Because the carrying value of the biological assets in the plant cultivation is based on cost upon initial recognition, no variability analysis is relevant. Were the actual prices for the biological assets in animal husbandry higher by 10% from management's estimates, the net profit would increase by EUR 870 thousand (EUR 501 thousand in 2011), if the prices were lower by 10%, the net profit would decrease by the same amount.

b) Useful lives of property, plant and equipment

The depreciable items of property, plant and equipment amounted to EUR 53,228 thousand as at December 31, 2012 (EUR 53,682 thousand as at December 31, 2011). The remaining balance includes land, which does not depreciate; and construction in process. Management has estimated useful lifetimes for depreciable property, plant and equipment. However, the actual useful lifetimes can be different than those estimated by the management. If the average useful lifetime would be 10% longer than estimated by the management, it would decrease the depreciation charge by EUR 766 thousand (EUR 705 thousand in 2011) and would it be 10% shorter than estimated by the management; the depreciation charge would increase by EUR 766 thousand (EUR 705 thousand in 2011), in a year.

c) Net realisable value and fair value less costs to sell of inventories

The Group has its agricultural produce in inventory as of the year end. The agricultural produce and inventories for commodities trading have been valued to fair value less costs to sell. The fair value of the grain is determined based on the market statistics published by APK-Inform. Would the actual sales prices be lower than estimated by 10%, the value of the inventories would be EUR 1,086 thousand less and the equity smaller by the equal amount (in 2011: EUR 1,842 thousand).

d) Fair values of the assets and liabilities analysed in purchase price allocations in accounting for business combinations

The Group has estimated the fair values of the assets and liabilities of the subsidiaries acquired in course of the business combinations. Because the subsidiaries have been bought from different counterparties on arm's length conditions, these different transactions provided additional comparative basis for determining the fair values of assets and liabilities, in addition to the information disclosed in public by the competitors and that provided by consultants.

e) Distinction between the business combinations and asset purchases

The Group decides at each purchase of majority share of a company or major group of assets whether the acquisition is a business combination or asset acquisition. The acquisition is classified as business combination when the assets acquired and liabilities assumed constitute a business. For each acquisition, the Group analyses whether it has inputs, processes applied to those inputs and created outputs in place before acquisition with the main component being processes. Acquisition of a company owning property, plant and equipment or inventories without having in place processes to generate outputs is not considered a business combination.

f) Deferred tax and tax provisions for uncertain tax positions

The Group calculates the deferred tax and tax provisions for uncertain tax positions. The calculations are based on the Group management's best estimate using all the available information and advice from external consultants where necessary due to the number of jurisdictions involved and the complexity of the tax rules, including the Danish CFC rules and their interaction with tax rules in other countries where the Group operates.

As at December 31, 2010 the provision for potential tax liability was the estimate of the corporate income tax risk affected by a pending court case solution in Danish High Court Eastern Division (the Group was not part of the court case). Whereas as at December 31, 2010 the court case was still pending it had increased risk of tax expense in the Company. During 2011 the provision was reversed as the risk of the potential tax liability was considered remote related to the court case ruling (Note 16). There were no material tax provisions for uncertain tax positions during 2012.

g) Recoverable values of the non-current assets

In 2011 and 2012 the impairment testing was not necessary as the management of the Group did not identify any indication of impairment.

h) Fair value of the investment property

The management used an external valuation firm for estimating the market value of the investment property. When valuing the investment property the Sales Comparison Approach Method was used and field preparation works, completion of asset clearance and restructurings were taken into account. For further information on assumptions and valuation results please refer to Note 10.

5. CASH AND CASH EQUIVALENTS

in EUR thousand	**31.12.2012**	**31.12.2011**
Cash on hand	46	13
Short-term bank deposits	8,144	14,026
Bank deposits up to 12 months	-	5,274
	8,190	**19,313**

Short-term bank deposits bear interest of 0%-5% on annualised base (in 2011 0.09% – 2.0%).

As at December 31, 2011 bank deposits up to 12 months were SEK-nominated bank deposits (in total amount of SEK 47,000 thousand) bearing an annual interest rate of 1.7%). Please also refer to Note 7.

The credit quality of cash at bank according to banks external credit rating (Moody's) is given in the following table.

in EUR thousand	**31.12.2012**	**31.12.2011**
AA-	-	227
A+	675	1,952
A	4,888	11,074
BBB+	624	890
BBB	60	-
BB+	-	3
BB	6	6
B-	-	862
CCC+	1,173	-
Other*	764	4,299
	8,190	**19,313**

* The balances without Moody's rating include cash in Megabank(Ukraine), Ukrsotsbank (Ukraine) and in Alfa Bank (Russia), which are not rated by Moody's.

The split of cash between currencies:

in EUR thousand	31.12.2012	31.12.2011
Ukrainian hryvna	4,091	3,679
US dollar	2,146	1,881
Euro	1,129	7,331
Swedish krona	12	5,274
Russian rouble	627	851
Swiss franc	185	221
Danish krone	-	76
	8,190	**19,313**

6. TRADE AND OTHER RECEIVABLES

in EUR thousand	31.12.2012	31.12.2011
Current receivables:		
Trade receivables	3,405	4,269
Short-term loans given	-	6,539
Other receivables	1,563	291
	4,968	**11,099**
Current prepayments:		
Prepayments for indirect taxes	3,524	5,988
Prepayments for other operating expenses	2,213	2,195
	5,737	**8,183**
Total current receivables and prepayments	**10,705**	**19,282**
Non-current prepayments and receivables:		
Prepayments for new acquisitions	2,416	2,209
Other receivables	10	-
Total non-current receivables and prepayments	**2,426**	**2,209**
Total receivables and prepayments	**13,131**	**21,491**

The fair values of trade and other receivables are not materially different from the carrying values based on the expected discounted cash flows. All non-current receivables are due within more than one year from the balance sheet date. Non-current prepayments will realize in non-current assets, like land and property, plant and equipment.

As of December 31, 2012, Non-Current prepayments for new acquisitions in amount of EUR 2,416 thousand were related to the land acquisition for dairy operations in Russia.

As at December 31, 2011, Prepayments for indirect taxes included Ukraine VAT receivables in the amount of EUR 2,478 (UAH 25.6 million) that were accrued from export sales and prepayments during 2008 – 2010 and which were not returned by the Tax Authority. The Group unsuccessfully challenged the refusal of the Tax Authority in the first and second instance courts. Court proceedings are still on-going. Due to above management has estimated the recoverability of the receivables not likely and has written off these receivables in amount of EUR 2,432 thousand (UAH 25.6 million) as at December 31, 2012 and continues to account for the receivable as a contingent asset. The loss from the write-off was recorded under Other (losses)/gains-net (Note 25).

During 2012, short-term loans in amount of EUR 6,000 thousand were reclassified to prepayments for Rostov cluster acquisition. The completion of the acquisition was carried out in 4Q 2012. For more information on the Rostov cluster acquisition please refer to Note 31. For breakdown of trade and other receivables by category please refer to Note 7.

The expected periodization of proceeds from trade receivables is as follows:

in EUR thousand	31.12.2012	31.12.2011
Up to 3 months	2,202	1,155
3 to 6 months	404	1,881
Over 6 months	799	1,233
	3,405	**4,269**
including receivables not due	1,738	3,057
including receivables overdue up to 3 months	1,009	97
including receivables overdue up 3 to 6 months	11	535
including receivables overdue over 6 months	647	580

The expected periodization of proceeds from other receivables is as follows:

in EUR thousand	31.12.2012	31.12.2011
Up to 3 months	603	122
3 to 6 months	32	5
Over 6 months	938	164
	1,573	**291**
including receivables not due	1,521	289
including receivables overdue up to 3 months	-	-
including receivables overdue up 3 to 6 months	-	-
including receivables overdue over 6 months	52	2

The expected periodization of proceeds from loan receivables is as follows:

in EUR thousand	31.12.2012	31.12.2011
Up to 3 months	-	1,232
3 to 6 months	-	-
Over 6 months	-	5,307
	-	**6,539**
including receivables not due	-	6,539

All receivables are from counterparties without credit rating. Trade receivables less than 3 months past due from balance sheet date are not considered impaired based on the individual assessment of each significant receivable. Total impairment loss recognised from the receivables in 2012 was EUR 443 thousand (in 2011 EUR 407 thousand), additionally 2,432 thousand EUR in 2012 was write-off of Ukraine VAT and 410 thousand EUR other write-offs of doubtful receivables (Note 25).

Movements on the Group provision for impairment of trade receivables are as follows:

in EUR thousand	2012	2011
At January 1	**-472**	**-217**
Provision for receivables impairment	-443	-407
Unused amounts reversed	112	43
Disposed subsidiaries	354	-
Currency translation differences	-11	109
At December 31	**-460**	**-472**

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

in EUR thousand	31.12.2012	31.12.2011
Russian rouble	2,626	4,062
Ukrainian hryvna	5,846	9,475
Euro	4,659	7,954
	13,131	**21,491**

The maximum exposure to credit risk arising from trade and other receivables at the reporting date is the carrying amount of each class of receivable mentioned above. The Group does not hold any collateral as security for the trade receivable

7. FINANCIAL INSTRUMENTS BY CATEGORY

Assets as per balance sheet	31.12.2012 Loans and receivables	31.12.2011 Loans and receivables
Cash and cash equivalents	8,190	19,313
Trade and other receivables excluding prepayments	4,968	11,099
	13,158	**30,412**

Liabilities as per balance sheet	31.12.2012 Financial liabilities at amortised cost	31.12.2011 Financial liabilities at amortised cost
Trade and other payables excluding social security, other taxes and prepayments from clients	14,072	4,893
Borrowings excluding finance lease liabilities	59,216	57,375
Finance lease liabilities	2,141	2,372
	75,429	**64,640**

Prepayments are excluded as this analysis is required only for financial assets.

8. INVENTORIES

Inventory breakdown, EUR thousand	31.12.2012	31.12.2011
Grain for sale	10,856	18,424
Raw materials, supplies	7,379	6,563
Fieldworks in process	3,224	4,878
Total	**21,459**	**29,865**

Breakdown of the grain for sale, agricultural produce inventory, 31.12.2012	Grain for sale, agricultural produce, EUR thousand	Total Grain for sale, agricultural produce, tonnes	Average price used for valuing Grain for sale, agricultural produce, EUR/t
Wheat	91	499	182
Barley	105	653	161
Sunflower	5,412	13,584	398
Corn	3,761	24,478	154
Rapeseed	37	107	345
Soya	1,317	3,742	352
Other	133	2,334	57
Total	**10,856**	**45,397**	**239**

Breakdown of the grain for sale, agricultural produce inventory, 31.12.2011	Grain for sale, agricultural produce, EUR thousand	Total Grain for sale, agricultural produce, tonnes	Average price used for valuing Grain for sale, agricultural produce, EUR/t
Wheat	4,137	29,539	140
Barley	889	6,709	132
Sunflower	6,375	21,655	294
Corn	3,505	23,374	150
Rapeseed	887	2,789	318
Soya	2,445	9,423	259
Rye	14	140	100
Other	172	2,228	77
Total	**18,424**	**95,856**	**192**

Grain for sale is revalued by the Group on each balance sheet date. For revaluations as at December 31, the Group has used the market prices from APK-Inform statistics as at the end of January both years (the year-end prices did not reflect the realistic market situation due to the long holiday´s season in Ukraine and Russia and therefore very low volume of trades). In case the APK-Inform market is considered to be illiquid at year-end, then the Group uses market from the moment when trading volumes are restored and market becomes liquid. In case the Group had sold or had sales contracts for its inventory after the balance sheet date but before February 1, 2013, the actual prices were used.

9. BIOLOGICAL ASSETS

in EUR thousand	Plant cultivation	Animal husbandry	Total
Carrying amount at 31.12.2011	**5,947**	**5,014**	**10,961**
Non-current biological assets	130	5,013	5,143
Current biological assets	5,817	1	5,818
2012			
Increases through business combinations	1,343	3,357	4,700
Decrease due to sales	-1,506	-	-1,506
Gain/loss arising from changes in fair value less estimated point of sale costs of biological assets:	105	241	346
- Increases due to new plantations/birth	*45,326*	*1,354*	*46,680*
- Harvest	*-43,623*	-	-43,623
- Decreases due to written-off biol. assets	*-1,598*	*-1,851*	*-3,449*
- Other changes in fair value	-	*738*	*738*
Currency translation differences	24	92	116
Carrying amount at 31.12.2012	**5,913**	**8,704**	**14,617**
Non-current biological assets	413	8,704	9,117
Current biological assets	5,500	-	5,500

in EUR thousand	Plant cultivation	Animal husbandry	Total
Carrying amount at 31.12.2010	**4,301**	**3,981**	**8,282**
Non-current biological assets	136	3,967	4,103
Current biological assets	4,165	14	4,179
2011			
Increases due to purchases	160	745	905
Gain/loss arising from changes in fair value less estimated point of sale costs of biological assets:	1,392	367	1,759
- Increases due to new plantations/birth	*30,534*	*2,127*	*32,661*
- Harvest	*-29,258*	*-*	*-29,258*
- Decreases due to written-off biol. assets	*-504*	*-1,413*	*-1,917*
- Other changes in fair value	*620*	*-347*	*273*
Currency translation differences	94	-79	15
Carrying amount at 31.12.2011	**5,947**	**5,014**	**10,961**
Non-current biological assets	130	5,013	5,143
Current biological assets	5,817	1	5,818

	Animals, pcs	Winter crops, hectares
Physical quantities at 31.12.2012	7,585	52,186
Physical quantities at 31.12.2011	4,388	57,047

As at the balance sheet date, Current biological assets in plant cultivation include mainly winter crops seeded in autumn. In determining the fair value of these crops, the cost of seeding those crops is used.

Additions comprise direct costs related to the management of the biological transformation of biological assets, like costs of seeds, fertilising, cultivation, labour costs of employees directly involved in production process, fuel and energy etc. Costs are capitalised only to plant cultivation, as animal husbandry is measured at fair value less costs to sell.

Non-current biological assets in plant cultivation include grasslands, which are used for harvesting animal feed, and non-current assets in animal husbandry include dairy herd, both mature and immature.

The gain arising from changes in fair value includes changes in both physical quantities due to the growth of plants/animals and changes in market prices of the biological assets. As the main growth period of the crops is April to July, the change in the fair values is always the highest in the second quarter of the year.

Biological assets in Russia were pledged in total amount of EUR 610 thousand (2011: EUR 589 thousand) for the benefit of the bank.

10. INVESTMENT PROPERTY

AS AT DECEMBER 31, 2011, Investment property in amount of EUR 22,486 thousand reflects the fair value of land in the Group´s Samara cereals production cluster in Russia that was reclassified to Investment property on July 1, 2011. Such reclassification was made because the Group decided to discontinue its cereals farming operations in Samara region and intended to keep the assets of this cluster for rent and/or potential disposal in the future.

The Group measured the land at its fair value both at the date of its reclassification (July 1, 2011) and as at December 31, 2011.

FAIR VALUE OF THE LAND AS AT JULY 1, 2011

The management obtained a valuation from an external reputable valuation firm that estimated the fair value of the land as at July 1, 2011.

At the date of its reclassification to investment property, the property was not ready for its intended use because of an incomplete legal structure and operational status of the land which made it impracticable to lease or dispose it. Therefore, when assessing the fair value of the land as at July 1, 2011 the following was taken into account:

- Asset clearance was not completed. Historically, during the land acquisition process Trigon Agri acquired loss making milk production business and bad debt of former "kolkhozes" (in order to motivate farmers to sell their land rights to Trigon Agri). As at July 2011 Trigon Agri had not completed the restructuring program and therefore the land was not free from potential encumbrances.
- Pre-disposition corporate structure was not finalized and therefore the legal structure of legal entities holding these assets was not transparent.
- Field preparation works were not completed to make the land more attractive for a potential buyer/lessor.

The fair value of land was determined based on the comparable sales transactions in Samara region, adjusted for a number of factors to reflect the differences between the comparable transactions and the investment property of the Group. In particular, adjustments have been made to reflect differences in the size, date of the transaction, legal status, financing conditions and type of the transaction.

The adjustments included a discount of 20% made in respect of the legal uncertainties reflecting the incomplete legal structure of the investment property in July 2011. In estimating the above discount, the valuer took into account the average impact on the price of an incomplete legal structure compared to the land plots with a transparent structure. The valuer has compared the 20% discount to the actual costs the company has incurred by clearing the legal structure and improving the quality of the land and found that this further supports the appropriateness of the discount.

Compared to the fair value assessment at December 31, 2011, the differences in the valuation report from the external valuer relate to the introduction of a 20% discount made in respect of the legal uncertainties reflecting the incomplete legal structure of the investment property in July 2011, and differences in exchange rates (the valuation is carried out in roubles and then translated into euros). Management agrees on the fair value assessment performed by the valuer and as the fair value of the land as assessed by the external valuer was not materially different from its book value at the date of reclassification (EUR 17.6 million), there was no need to record any valuation adjustments in the financial statements taken the original range used the by the valuer into account.

FAIR VALUE AS AT DECEMBER 31, 2011

During Q4 and Q3 the Group made significant expenses to clear the legal structure of the land ownership, to free it of any encumbrances, contingencies or commitments towards any external parties (including liquidating the old "kolhoz" structure and firing related employees), and on field improvement works.

By the end of 2011 the Group had substantially completed the development of the land to make it ready for its new intended use as an investment property.

As of 31 December 2011 the management has assessed the fair value of the investment property based on its knowledge of transactions carried through in the same region. Furthermore, the management has obtained an external valuation from a reputable external valuation firm to support the valuation carried out by the management. According to the external valuation report the fair value of the investment property as of 31 December 2011 was in a range of EUR 22-29 million.

The fair value of land was determined based on the comparable sales transactions in Samara region, adjusted for a number of factors to reflect the differences between the comparable transactions and the investment property of the Group. In particular, adjustments have been made to reflect differences in the size, date of the transaction, financing conditions and type of the transaction. No discount has been used for incomplete legal structure.

The book value of investment property before the revaluation as of December 31, 2011 was EUR 18,100 thousand and a gain from revaluation in the amount of EUR 4,386 thousand is recorded under Other (losses)/gains-net (Note 25).

IN 4Q 2012 the Group made a land-swap transaction in Russia to acquire 71 thousand hectares production cluster in Rostov Oblast. Part of the payment for the shares of the acquired entity in Rostov was agreed in the form of shares of the Group's Samara entities owning the investment property. By this transaction the Group disposed all of its investment property. For more information on the Rostov cluster acquisition please refer to Note 31.

11. PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2012 the Group owned 113,767 hectares of land, out of which 4,516 hectares was in Estonia and 109,251 hectares in Russia.

As of 31 December 2011 the Group owned 114,787 hectares of land, of which 2,233 hectares was in Estonia and 112,554 hectares was in Russia.

The Group's acquisitions of property, plant and equipment during 2012 amounted to EUR 9,059 thousand (EUR 9,224 thousand in 2011). The difference compared to the purchase of property, plant and equipment in the cash flow statement is mainly related to the prepayments for new acquisitions that are recorded under Trade and other receivables (Note 6). For acquisitions through business combinations please refer to Note 31.

For explanation of reclassification of property, plant and equipment to investment property during 2011 please refer to Note 10.

The change in total property, plant and equipment carrying value was also influenced by the change in the exchange rate of Russian rouble and Ukrainian hryvna, which increased their value in relation to the Euro by 3% and decreased by 2% respectively between December 31, 2011 and December 31, 2012 (decreased their value in relation to the Euro by 2% and increased by 1% respectively between December 31, 2011 and December 31, 2010) .

Some property, plant and equipment in Estonia were pledged with commercial pledge as at December 31, 2012 in the amount of EUR 4,243 thousand (as at December 31, 2011 in the amount of EUR 543 thousand). The object of the commercial pledge is unrestricted, i.e. all removable property up to an amount of EUR 4,243 thousand (2011: EUR 543 thousand) is pledged for the benefit of the bank. Land and buildings in Estonia were mortgaged with the mortgage value of EUR 20,523 thousand (2011: EUR 4,410 thousand). Land in Russia was mortgaged with the mortgage value of EUR 10,070 thousand (EUR 9,388 thousand in 2011). Machinery and buildings were pledged in Ukraine and Russia in total amount of EUR 32,206 thousand (2011: EUR 19,212 thousand) for the benefit of the bank.

The net book value of the financial leased assets (vehicles and machinery) as at December 31, 2012 stood at EUR 3,142 thousand (as at December 31, 2011 EUR 3,022 thousand). Information on financial lease liabilities of the assets acquired under the terms of a finance lease is presented in Note 23.

in EUR thousand	Land	Buildings	Vehicles & machinery	Furniture, fittings & equipment	Construction in process	Total
31.12.2010						
Cost	46,429	30,310	34,886	836	1,572	114,033
Accumulated depreciation	-	-3,255	-9,664	-406	-	-13,325
Net book amount	**46,429**	**27,055**	**25,222**	**430**	**1,572**	**100,708**
2011						
Additions	96	1,174	5,577	255	1,557	8,659
Acquisitions through business combinations	-	-	386	-	-	386
Disposals	-	-370	-562	1	-20	-951
Reclassification to investment property	729	3,530	-978	-255	-3,026	-
Reclassification balance sheet items/between groups	-16,650	-1,149	-	-	-	-17,799
Depreciation charge	-	-1,496	-5,372	-182	-	-7,050
Exchange rate differences	-1,697	508	-450	179	735	-725
Closing net book amount	**28,907**	**29,252**	**23,823**	**428**	**818**	**83,228**
31.12.2011						
Cost	28,907	33,266	36,174	863	818	100,028
Accumulated depreciation	-	-4,014	-12,351	-435	-	-16,800
Net book amount	**28,907**	**29,252**	**23,823**	**428**	**818**	**83,228**
2012						
Additions	618	950	4,921	-46	2,616	9,059
Acquisitions through business combinations	72,497	3,560	726	69	94	76,946
Disposals	-12,438	-1,877	-1,366	-29	-15	-15,725
Reclassification balance sheet items/between groups	6	23	-148	-10	-	-129
Depreciation charge	-	-1,539	-5,977	-146	-	-7,662
Exchange rate differences	1,138	-81	565	130	4	1,756
Closing net book amount	**90,728**	**30,288**	**22,544**	**396**	**3,517**	**147,473**
31.12.2012						
Cost	90,728	35,606	40,377	981	3,517	171,209
Accumulated depreciation	-	-5,318	-17,833	-585	-	-23,736
Net book amount	**90,728**	**30,288**	**22,544**	**396**	**3,517**	**147,473**

12. INTANGIBLE ASSETS

in EUR thousand	Software	Software in progress	Total
31.12.2010	-	-	-
Cost	-	-	-
Accumulated depreciation	-	-	-
Net book amount	**-**	**-**	**-**
2011			
Additions	-	179	179
Closing net book amount	**-**	**179**	**179**
31.12.2011			
Cost	-	179	179
Net book amount	**-**	**179**	**179**
2012			
Additions	66	20	86
Reclassification balance sheet items/between groups	129	-	129
Depreciation charge	-43	-	-43
Exchange rate differences	-4	-	-4
Closing net book amount	**148**	**199**	**347**
31.12.2012			
Cost	209	199	408
Accumulated depreciation	-61	-	-61
	148	**199**	**347**

13. PREPAID LAND RENTS AND LAND USAGE RIGHTS

The Group's land in Ukraine is used mainly based on long term (up to 40 years) lease agreements. There was 52,030 hectares land in use based on long-term lease agreements as of December 31, 2012 (as of December 31, 2011: 53,294 hectares). The Group has made prepayments or has recognised land usage rights in business combinations to get access to that land. These prepayments and land usage rights are amortised during the period of lease (Note 23).

in EUR thousand	31.12.2012	31.12.2011
Balance at the beginning of the period	**5,876**	**3,732**
Acquired in course of business combinations (note 31)	-	1,431
Additional prepayments made	57	1,076
Recognized in Income statement	-928	-764
Disposal	-818	-
Unrealised exchange rate differences	-144	397
Balance at the end of the period	**4,043**	**5,876**

14. TRADE AND OTHER PAYABLES

in EUR thousand	31.12.2012	31.12.2011
Trade payables	3,633	4,064
Social security and other taxes	1,853	2,667
Accrued expenses	1,392	660
Amounts due to related parties (Note 33)	15	741
Payables related to new acquisitions (Note 31)	9,100	-
Other payables	793	706
	16,786	**8,838**
Less: non-current portion	-755	-392
	16,031	**8,446**

Fair values of trade and other payables are not materially different from book values due to short maturities. Payables related to new acquisitions in amount of EUR 9,100 thousand are related to the deferred payment of the Rostov cluster acquisition. Maturity date of the payable is in 4Q 2013 and no interest will accrued on the amount. For more information on the Rostov cluster acquisition please refer to Note 31.

The carrying amounts of the Group's trade payables are denominated in the following currencies:

in EUR thousand	31.12.2012	31.12.2011
US dollar	2,301	1,376
Russian rouble	1,235	1,273
Ukrainian hryvna	1,799	3,366
Euro	11,451	2,823
	16,786	**8,838**

15. BORROWINGS

The total borrowings of the Group as of December 31, 2012 amounted to EUR 61,357 thousand compared to EUR 59,747 thousand as at December 31, 2011.

Total borrowings increased due to an increase in the EUR value of the SEK-nominated bond liability taken by the parent company of the Group due to the unfavourable changes in EUR-SEK currency exchange rates. Other total borrowings taken by the Group´s subsidiaries remained on the same level, as the Group's subsidiaries took new loans in a similar amount as they were returned.

The main new borrowings were long-term EUR loan in amount of EUR 5,000 thousand, maturity date 2017, short-term USD loans in amount of USD 11,000 thousand, maturity dates in 2013, short-term USD loan in amount of USD 1,995 thousand, maturity date 2012, short-term EUR loan in amount of EUR 500 thousand, maturity date 2012, long-term RUB loans in amount of RUB 22,651 thousand, maturity dates in 2017.

Details of the borrowings' currencies, interest rates and maturities are shown in the included tables.

Due to the SEK-nominated bond the losses from exchange rate differences have increased in 2012 compared to previous year. Interest cost of bonds in 2012 has increased compared to 2011 by EUR 2,531 thousand (Note 26) as the bonds were issued in June 2011.

In the Cash Flow statement proceeds/repayments of borrowings are shown in a different amount due to changes in foreign exchange rates, accrued interests that are not yet reflected in the Cash Flow statement and due to finance lease payables and refinancing of existing loans.

As part of the Rostov cluster acquisition transaction, the seller of the Rostov assets also took over EUR 6.4 million of bank borrowings of the Stavropol cluster, while the Rostov land holdings were passed on to Trigon Agri as free of any bank debt (Note 31).

31.12.2012, in EUR thousand	31.12.2012	Maturity	Interest rate
SEK-nominated (bonds incl accrued interest)	42,259	2015	11%
RUB-nominated	2,148	2014-2017	2-17%
USD-nominated	8,493	2013-2015	5-12%
USD-nominated	178	2017	no interest
EUR-nominated	35	2013-2014	5.9-6.07%
EUR-nominated	1,077	2014	bank base interest rate + 1.5%
EUR-nominated	6,283	2013-2018	6m EURIBOR + 1.4-2.7%
EUR-nominated	723	2020	5y EURIBOR + 1.9%
EUR-nominated	41	2016	no interest
UAH-nominated	32	2013	
UAH-nominated	88	2016-2017	no interest
	61,357		
Less: non-current portion	49,486		
	11,871		

31.12.2011, in EUR thousand	31.12.2011	Maturity	Interest rate
SEK-nominated (bonds incl accrued interest)	40,348	2015	11%
RUB-nominated	8,662	2014-2017	14-17%
USD-nominated	7,301	2012-2015	5-12%
EUR-nominated	131	2012-2014	5.9-6.07%
EUR-nominated	1,109	2014	bank base interest rate + 1.5%
EUR-nominated	1,217	2012-2018	6m EURIBOR + 1.4-2.7%
EUR-nominated	798	2020	5y EURIBOR + 1.9%
UAH-nominated	82	2013	
UAH-nominated	99	2013-2016	
	59,747		
Less: non-current portion	51,856		
	7,891		

in EUR thousand	31.12.2012	31.12.2011
Non-current		
Bank borrowings	48,094	50,505
Finance lease payables	1,392	1,351
	49,486	**51,856**
Current		
Bank borrowings	11,122	6,870
Finance lease payables	749	1,021
	11,871	**7,891**
Total borrowings	**61,357**	**59,747**

For breakdown of borrowings by category please refer to Note 7. The carrying amounts of the Group's borrowings are denominated in the following currencies:

	31.12.2012		31.12.2011	
in EUR thousand	**Borrowings**	**Finance lease payables**	**Borrowings**	**Finance lease payables**
Euro	7,278	881	2,558	697
US dollar	7,575	1,096	5,725	1,576
Swedish krona	42,259	-	40,348	-
Russian rouble	2,072	76	8,662	-
Ukrainian hryvna	32	88	82	99
	59,216	**2,141**	**57,375**	**2,372**

	31.12.2012		31.12.2011	
	Bank borrowings	Finance lease payables	Bank borrowings	Finance lease payables
Floating rate:				
– Expiring within one year	472	225	270	245
– Expiring beyond one year	6,806	580	2,289	320
Fixed rate:				
– Expiring within one year	10,650	524	6,600	776
– Expiring beyond one year	41,288	812	48,216	1,031
	59,216	**2,141**	**57,375**	**2,372**

Total future minimum payments	**Finance lease payables**	
in EUR thousand	**31.12.2012**	**31.12.2011**
up to 12 months	987	1,156
1-5 years	1,523	1,471
	2,510	**2,626**
Future interests	369	254
Present value of the lease	2,141	2,372

All the loan and lease arrangements have been concluded under regular terms in the respective country. Lease agreements are related to the purchase of buildings, machinery and equipment in the Group's production clusters of Estonia, Ukraine and Russia. All these leases are classified as finance lease because the ownership of leased assets passes to the Group at the end of lease term. The Group has operating lease of land, office premises and machinery in several locations (for further details on operating lease payments please refer to Note 23)

16. INCOME TAX

The Group does not have material deferred tax assets or liabilities in companies, which are active in agricultural production. This is due to the following reasons:

1) The Group companies in Estonia are subject to income tax only when the profits are distributed. No corporate income tax is imposed on earnings; therefore there are no temporary differences between the tax and accounting bases of assets and liabilities. If dividends are to be distributed from all retained earnings accumulated in Estonia, the amount of income tax expense arising from the payment of dividends will amount to EUR 1,277 thousand (EUR 2,534 thousand as at December 31,2011).

2) All of the Group companies in Ukraine that are producing agricultural produce are not subject to income tax, but to the unified agricultural tax. The agricultural tax is based on hectares of arable land the company uses, not on its earnings and therefore no deferred tax arises. All other companies in Ukraine (companies that are related to sales and trading and storage elevators) are under regular tax regime and subject to income tax. The deferred tax assets in Ukraine as at 31.12.2012 are expected to be recovered before they expire during coming periods.

3) The Group companies in Russia, except for sub-holding companies, are also subjects of the agricultural tax regime and the losses carried forward are not recognised as deferred tax assets. The deferred tax asset arises from tax losses carried forward in the Russian sub-holding companies. The deferred tax assets in Russia as at 31.12.2012 are expected to be recovered before they expire during coming periods.

in EUR thousand	**2012**	**2011**
Deferred tax assets:		
Deferred tax asset in Russia	427	409
Deferred tax asset in Ukraine	348	408
	775	**817**

in EUR thousand	2012	2011
Deferred tax liabilities:		
Deferred tax liability in Russia	1	-
Deferred tax liability in Ukraine (mainly Property, plant and equipment)	2,816	3,077
	2,817	**3,077**
Deferred tax liabilities (net)	**2,042**	**2,260**

Deferred tax liability in Ukraine mainly arose in business combinations (acquisition of elevators in Ukraine in 2007 and 2008) and relates to Property, plant and equipment.

in EUR thousand	2012	2011
The gross movement on the deferred income tax account:		
At January, 1	**2,260**	**2,290**
Income statement charge related to change in deferred tax assets	51	23
Charges to the income statement related to other deferred tax liabilities	-83	-68
Charges to the income statement related to related to Property, plant and equipment	-98	-91
Exchange differences	-88	106
At December, 31	**2,042**	**2,260**

in EUR thousand	2012	2011
Split of the corporate income tax expense:		
Income tax expense in Cyprus companies	-4	5
Income tax expense in Swiss companies	-5	-93
Income tax expense in Russian companies	-273	-43
Income tax expense in Ukrainian companies	-508	-469
Total current income tax expenses	**-790**	**-600**
Current income tax related provision in Denmark company	**-**	**524**
Changes in deferred tax assets related to disposal of subsidiary	188	-
Origination and reversal of temporary differences	130	136
Total changes in deferred tax	**318**	**136**
Total corporate income tax expense	**-472**	**60**

Total income tax expense in Cyprus, Russian and Ukrainian companies represent´s amount of actual income tax payables

17. SHARE CAPITAL

in EUR thousand	Number of shares	Incl. ordinary shares	Share capital	Share premium	Total
31.12.2010	**129,627,479**	**129,627,479**	**129,627**	**35,127**	**164,754**
30.09.2011	**129,627,479**	**129,627,479**	**129,627**	**35,127**	**164,754**
31.12.2011	**129,627,479**	**129,627,479**	**129,627**	**35,127**	**164,754**
2012					
Reduction in share capital	-	-	**-64,814**	**64,814**	-
31.12.2012	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**

The total authorized number of ordinary shares is 129,627,479 shares (as of December 31, 2011: 129,627,479 shares) with a par value of 0.5 EUR per share (1 EUR per share as at December 31, 2011). All shares have been fully paid.

According to the resolutions of the Trigon Agri Annual General Meeting on April 26, 2012 the Company's nominal share capital was reduced by EUR 64,814 thousand from EUR 129,627 thousand to EUR 64,814 thousand by transfer to a Share premium and by reduction of the nominal value of the Company's shares from EUR 1 to EUR 0.5. The reduction of the share capital did not dilute any existing shareholdings or impact the number of shares owned by each shareholder. Special reserve is recorded within Share premium in equity.

The shares of Trigon Agri A/S are listed on main market of Small Cap segment on NASDAQ OMX Stockholm.

WARRANTS ISSUED TO AS TRIGON CAPITAL:

In 2006- 2007, Trigon Capital received warrants to purchase 14,906,516 shares, which equalled approximately 25 per cent of the aggregate number of shares outstanding immediately after the private placement completed on 17 May 2007. Trigon Agri Advisors received further warrants in 2008 to purchase 17,500,000 shares.

All the warrants that had exercise windows between April 30, 2010 and October 31, 2012 were not exercised (14,906,515 warrants). Any warrants not exercised have now become null and void, and cannot be exercised in the later tranches. The total outstanding number of warrants as at December 31, 2012 amounted to 17,500,000 (27,500,000 warrants as at December 31, 2011) , which, if issued, would equal approximately 14 per cent of the aggregate number of shares outstanding.

Group-I 2006 warrants issued in accordance with the articles of association for 4,906,515 ordinary shares (were expired as at December 31,2011):

Tranche	**Exercise window**	**Number of Shares**	**Strike Price EUR**
Tranche 1	30.04-31.05.2010	2,453,258	1.24
Tranche 2	30.04-31.05.2011	2,453,257	1.31
Total number of shares and average strike price		**4,906,515**	**1.275**

Group-II 2007 warrants issued in accordance with the articles of association issued for 10,000,000 ordinary shares (were expired as at December 31,2012):

Tranche	**Exercise window**	**Number of Shares**	**Strike Price EUR**	**Hurdle as % of Strike Price**
Tranche 3	30.04-31.10.2010	2,500,000	1.25	152%
Tranche 4	30.04-31.10.2011	2,500,000	1.25	175%
Tranche 5	30.04-31.10.2012	2,500,000	1.25	201%
Tranche 6	30.04-31.10.2012	2,500,000	1.25	249%
Total number of shares and average strike price		10,000,000	1.25	

The 2008 warrants entitled their holder to subscribe for 17,500,000 shares:

Tranche	**Exercise window**	**Number of Shares**	**Strike Price EUR**	**Hurdle as % of Strike Price**
Tranche 7	30.04-31.10.2011	4,375,000	1.50	152%
Tranche 8	30.04-31.10.2012	4,375,000	1.50	175%
Tranche 9	30.04-31.10.2013	4,375,000	1.50	201%
Tranche 10	30.04-31.10.2013	4,375,000	1.50	249%
Total number of shares and average strike price		**17,500,000**	**1.50**	

The outstanding warrants as at December 31,2012 have exercise window between April 30, 2013 and October 31, 2013 and can be exercised at a strike price EUR 1.50 per share only when for 20 trading days during the exercise period the market share price exceeds EUR 3.01 per share (for 13,125,000 warrants) or EUR 3.74 per share (for 4,375,000 warrants).

The terms and conditions of the warrants are also included in the Articles of Association.

IFRS 2 Share-based Payment requires that the warrants have to be evaluated and recognised in the financial statements despite the fact that the warrants were not disposable.

Based on the valuation results the fair value of the warrants in amount of EUR 893 thousand was included in the transaction costs and subtracted from the share premium in the owners' equity in 2006 financial statements and EUR 4,380 thousand in 2008 financial statements. The warrants' reserve in other reserves in the owners' equity was recognised in the same amount in the respective years (Note 19). In 2012 the warrants reserve in amount of EUR 737 thousand was reclassified to retained earnings as the warrants that had exercise windows between April 30, 2012 and October 31, 2012 were not exercised. In 2011 the warrants reserve in amount of EUR 1,688 thousand was reclassified to retained earnings as the warrants that had exercise windows between April 30, 2010 and October 31, 2011 were not exercised.

18. DIVIDENDS PER SHARE

According to the decision of the Trigon Agri Annual General Meeting on April 26, 2012, it was decided that it is the Company's policy to seek to distribute 30% of the Company's annual audited net profits as dividends to shareholders to the extent this is consistent with the Danish Companies Act. This shall be a continual policy going forward, and also included a dividend for 2011, the first year that Trigon Agri showed a net profit. In total Trigon Agri distributed EUR 360 thousand to the shareholders as dividends. The net profit in 2011 was EUR 1,202 thousand. The dividend per share was EUR 0.00278.

Based on the dividend policy, the Management of the Company shall propose in the Annual General Meeting to distribute 30% of the Group´s 2012 net profit to shareholders as dividends i.e. EUR 506 thousand.

19. OTHER RESERVES

in EUR thousand	**Other reserves [a]**	**Translation differences[b]**	**Total**
31.12.2010	**5,273**	**-25,264**	**-19,991**
Currency translation differences	-	1,021	1,021
Reclassification of warrants reserve	-1,688	-	-1,688
31.12.2011	**3,585**	**-24,243**	**-20,658**
Currency translation differences	-	1,473	1,473
Reclassification of warrants reserve	-737	-	-737
Currency translation differences recycled to Income statement in relation to disposal of subsidiaries (Note 31)	-	3,160	3,160
31.12.2012	**2,848**	**-19,610**	**-16,762**

[a] Warrants' reserve has been recognised in the amount of the fair value of the warrants issued to Trigon Capital and Trigon Agri Advisors during each consecutive fundraising (Note 17). The fair value of the warrants issued, which equals to the services received by the Company from Trigon Capital, is included in the other reserves. The reserve will be included into share capital when the warrants are exercised or reversed into retained earnings if the vesting conditions of the warrants are not met and warrants will become void. In 2012 the warrants reserve in amount of EUR 737 thousand was reclassified to retained earnings as the warrants that had exercise windows between April 30, 2012 and October 31, 2012 were not exercised. (In 2011 the warrants reserve in amount of EUR 1,688 thousand was reclassified to retained earnings as the warrants that had exercise windows between April 30, 2010 and October 31, 2011 were not exercised.)

[b] The currency translation differences arise mainly from the Ukrainian hryvna and Russian rouble exchange rate movements during the reporting period. Currency translation differences recycled to Income statement in relation to disposal of subsidiaries was related to the Rostov land swap transaction (Note 31).

20. REVENUE AND OTHER INCOME

in EUR thousand	2012	2011
Sales of cereals	59,703	36,335
Sales of milk	8,374	5,438
Revenue from elevator services	3,556	4,091
Other revenue	1,684	2,131
TOTAL revenue	**73,317**	**47,995**
Subsidies	2,374	1,272
Other income	569	1,391
Total other income	**2,943**	**2,663**

Government grants recognized as income include subsidies for both plant cultivation and animal husbandry. Government grants have been received within the framework of the European Union projects and Ukrainian and Russian government. Additionally the Group has benefited from special Ukraine VAT treatment, as Ukraine companies under an agricultural regime are not obliged to pay VAT and the net of VAT receivable and payable is recorded under Other Losses/Gains (Note 25).

Revenues of EUR 18,449 thousand (2011: EUR 3,142 thousand) are derived from one external customer and revenues of EUR 9,651 thousand (2011: EUR 639 thousand) are derived from second external customer. These revenues are attributable to Sales and trading segment.

21. RAW MATERIALS AND CONSUMABLES USED FOR PRODUCTION PURPOSES

in EUR thousand	2012	2011
Seeds, fertilizers, chemicals	13,234	13,049
Animal feed	5,250	3,183
Repairs	3,260	2,316
Fuel, gas, electricity	6,016	5,631
Land tax and land rental	4,325	2,329
Other services and materials	7,492	5,126
	39,577	**31,634**

Land tax and land rental expenses have increased mainly due to increases in land rental prices in Ukraine. Other expenses have increased due to Väätsa dairy farm acquisition in 2Q 2012 and the Other services have increased due to larger trading volumes of cereals and therefore higher transportation costs.

22. EMPLOYEE BENEFIT EXPENSE

in EUR thousand	2012	2011
Wages and salaries	8,360	7,286
Social security costs	2,620	2,157
	10,980	**9,443**

The average number of employees in 2012 stood at 1,487 (2011: 1,485).

23. OPERATING LEASE PAYMENTS

In 2012, operating lease payments amounted to EUR 4,330 thousand (in 2011 EUR 2,138 thousand). Lease expense are included in Raw material and consumables used and in Other expenses in the income statement. The future aggregate estimated operating lease payments under non-cancellable operating lease agreements include mainly land lease agreements and are as follows:

in EUR thousand	2012	2011
up to 12 months	4,377	3,650
1-5 years	15,892	13,372
Over 5 years	80,563	70,730
	100,832	**87,752**

Lease agreements have been concluded under regular terms, there are no renewal or purchase options for the underlying assets.

Calculating future land lease payments in Ukraine include uncertainties as the land rental cost per hectare is not fixed, but depends on a number of variables. For example, land rental cost is calculated as a certain percentage of the value of the land, land rent might be dependent on the financial results and position of the lessee, land rent should be adjusted with the inflation and depends on other matters regulated in the rental agreements.

24. OTHER ADMINISTRATIVE EXPENSES

in EUR thousand	2012	2011
Legal and consulting fees	6,969	5,100
Office and administration expenses	2,656	1,788
Other expenses	453	2,229
	10,078	**9,117**

25. OTHER LOSSES/GAINS

in EUR thousand	2012	2011
Gain on disposal of Stavropol and Samara assets (Note 31)	18,052	-
VAT in Ukraine	5,279	314
Gain from revaluation of investment property (Note 10)	-	4,386
Write-off of doubtful receivables (Note 6)	-3,285	-
Foreign exchange losses/gains net	295	-77
Write-off of property, plant and equipment	-43	-71
Other losses / gains net	-758	-675
	19,540	**3,877**

Positive VAT item is related to Ukraine VAT treatment as Ukraine companies under an agricultural regime are not obliged to pay VAT and the net of VAT receivable and payable is recorded under Other Losses/Gains. In 2012 the VAT gain from Ukraine companies under an agricultural regime was significantly higher compared to 2011 mainly due to higher volume of sales of cereals. In 2012, write-off of doubtful receivables in amount of EUR 3,285 thousand includes write-off of Ukraine VAT receivable in amount of EUR 2,432 thousand (UAH 25.6 million) (Note 6). The rest of the amount EUR 853 thousand is related to write-offs of various prepayments and receivables (Note 6).

Other losses/ gains net contains loss of EUR 512 thousand that was related to costs of expected equity transaction that was not realised and therefore reversed from capitalised costs.

Out of the total Other gains/losses the Group considers one-off items in amount of EUR 14,264 thousand in 2012 and EUR 4,386 thousand in 2011. One-off items in 2012 are gain from disposal of subsidiaries in amount of EUR 18,052 thousand, and write off of Ukraine VAT liability, other receivables and advance payments in amount of EUR 3,788 thousand (Note 6). One-off item in 2011 is gain from revaluation of Investment property in amount of EUR 4,386 thousand.

26. FINANCE INCOME AND FINANCE COST

in EUR thousand	2012	2011
Interest income	95	312
Other finance income	2	-
	97	**312**
Interest expense at effective interest rate:		
Finance lease liabilities	-137	-124
Bank borrowings	-2,175	-1,703
Bond interests	-4,835	-2,304
Other interests	-18	-333
Other finance costs	-188	-
	-7,353	**-4,464**

Other interests arise from long-term payables to suppliers.

27. EARNINGS/LOSS PER SHARE

Basic earnings/loss per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

in EUR thousand	2012	2011
Profit/Loss attributable to equity holders of the Group (EUR thousand)	1,620	1,116
Weighted average number of ordinary shares outstanding (thousands)	129,627	129,627
Basic earnings/loss per share(EUR per share)	0.01	0.01

The warrants issued to Trigon Capital (Note 17) do not participate in calculation of earnings per share because they are anti-dilutive. The warrants dilute earnings per share once all the requirements related to the warrants are met (Note 17). Both in 2012 and in 2011 the diluted earnings per share were equal to the basic earnings per share. The Group does not have convertible bonds, preference shares or other dilutive instruments except for the warrants described above.

28. SEGMENT REPORTING

2012, in EUR thousand	Cereal production Ukraine	Cereal production Russia	Milk production	Storage services	Sales and trading	Eliminations between segments	Total
Revenue between segments	30,441	10,206	2	2,188	5,724	-48,561	-
Revenue from external customers	2,658	429	9,848	3,574	56,808	-	73,317
Total segment revenue	**33,099**	**10,635**	**9,850**	**5,762**	**62,532**	**-48,561**	**73,317**
Subsidies	1	197	2,176	-	-	-	2,374
Other income	245	205	17	22	84	-4	569
Gain/loss arising from changes in fair value less estimated point-of-sale costs of biological assets	130	-356	572	-	-	-	346
Total revenue, other income and fair value adjustments	**33,475**	**10,681**	**12,615**	**5,784**	**62,616**	**-48,565**	**76,606**
Net changes in inventories of agricultural produce and work in process	-4,069	-4,257	3,531	-	306	889	-3,600
Cost of purchased goods	-4	-133	-72	-11	-59,277	45,332	-14,165
OPEX	-27,254	-13,790	-13,753	-4,987	-3,192	2,341	-60,635
Gain from bargain purchase	-	-	1,734	-	-	-	1,734
Other (losses)/gains - net	3,280	16,827	-22	-369	-179	3	19,540
EBITDA	**5,428**	**9,328**	**4,033**	**417**	**274**	**-**	**19,480**
Depreciation and amortization							-8,634
Finance income/costs							-8,687
Profit/loss before income tax							**2,159**
Additions of non-current assets	**2,123**	**2,337**	**2,014**	**2,583**	**2**	**-**	**9,059**
Acquisitions through business combinations	**-**	**71,844**	**5,102**	**-**	**-**	**-**	**76,946**

Primary measures monitored by the Executive Board are segment OPEX (which is defined as operating expenses less Depreciation and amortization) and segment EBITDA (which is defined as Total segment revenue, other income and fair value adjustments adjusted with Changes in inventories of agricultural produce and work in process less operating expenses before Depreciation and amortization).

The management considers five business segments. For cereals production operations the Executive Board considers the business separately for Ukraine and Russia, for milk production the operations in Russia and Estonia are viewed together, for storage services and sales and trading operations the Ukrainian and Russian operations are viewed together.

The Group's milk production is located in Estonia and St Petersburg region. Cereals are produced for sale only in cereals production segments located in the Black Earth region in Ukraine and Russia. In the milk production segment, cereals are produced only in crop rotation order and used mainly as animal feed. In these segments, cereals are considered to be side production. Trading segment includes companies active in purchasing the cereals both from the Group and from third parties and sales of the purchased cereals. The Storage services segment includes grain storage elevators providing storage services to both Group companies and third parties.

The Group's business is seasonal by its nature. The largest increase in fair value of biological assets occurs during the plant growth season from March to September and consequently the largest gains are recognised in the second quarter. The harvest starts in the last days of June and usually lasts until the end of October but subject to weather conditions can continue also to November. During the harvest time, the prices for the cereals are usually lowest and the Group may use its storage capacities to keep the crops until the price increases. Respectively the income in storage elevators increases during the summer and then decreases until the next spring, when the elevators are having maintenance period and prepared for the next season. Trading income depends on market conditions and may be irregular. The income from milk sales has the least seasonal nature.

In 4Q 2012 the Group disposed its cereals production operations in Stavropol and Samara, part of the Group's cereals production segment in Russia (Note 31). The transaction was structured as a land-swap deal where Trigon Agri acquired a new 71 thousand hectares production cluster in Rostov Oblast in Russia in exchange for swapping out of its two existing Russian production units in Samara and Stavropol.

2011, in EUR thousand	Cereal production Ukraine	Cereal production Russia	Milk production	Storage services	Sales and trading	Eliminations between segments	Total
Revenue between segments	17,031	7,439	-	2,603	49	-27,122	-
Revenue from external customers	2,918	238	5,858	4,139	34,842	-	47,995
Total segment revenue	**19,949**	**7,677**	**5,858**	**6,742**	**34,891**	**-27,122**	**47,995**
Subsidies	23	123	1,127	-	-	-	1,273
Other income	700	275	143	127	2,105	-1,960	1,390
Gain/loss arising from changes in fair value less estimated point-of-sale costs of biological assets	377	-198	94	-	-	-	273
Total revenue, other income and fair value adjustments	**21,049**	**7,877**	**7,222**	**6,869**	**36,996**	**-29,082**	**50,931**
Net changes in inventories of agricultural produce and work in process	13,835	4,603	1,974	-1	-264	2	20,149
Cost of purchased goods	-487	-1,427	-22	-125	-34,488	25,843	-10,706
OPEX	-24,014	-14,733	-6,705	-5,417	-2,562	3,237	-50,194
Gain from bargain purchase	-	-	-	-	-	-	-
Other (losses)/gains - net	-137	4,263	-185	-46	-18	-	3,877
EBITDA	**10,246**	**583**	**2,284**	**1,280**	**-336**	**-**	**14,057**
Depreciation and amortization							-7,815
Finance income/costs							-5,100
Profit/loss before income tax							**1,142**
Additions of non-current assets	**3,945**	**3,687**	**400**	**603**	**24**	**-**	**8,659**
Acquisitions through business combinations	**-**	**386**	**-**	**-**	**-**	**-**	**386**

29. CONTINGENCIES

TAXES

ESTONIA:

The tax authorities may at any time inspect the books and records within three to six years subsequent to the reported tax year, and may impose additional tax assessments and penalties in Estonian subsidiaries of the Group. Tax audits were not conducted in 2011 or 2012 in Estonia. The Group's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

UKRAINE:

Tax legislation. Ukrainian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities. The tax authorities in Ukraine may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

As presented in Note 33, the Group conducts transactions with related parties. The form of the transactions and their accompanying documentation would generally meet the literal requirements of the applicable tax legislation, and as such, have not been challenged in the past. However, it is possible with the evolution of the interpretation of tax law in Ukraine and the changes in the approach of the Ukrainian tax authorities, that such transactions could be challenged in the future. The impact of any such challenge cannot be estimated.

The tax consequence of transactions for Ukrainian taxation purposes is frequently determined by the form in which transactions are documented and the underlying accounting treatment prescribed by Ukrainian GAAP.

As at 31 December 2012, management believes that its interpretation of the relevant legislation ensures compliance and the Group's tax, currency and customs positions will be sustained. Where management believes it is probable that a position cannot be sustained, an appropriate amount has been accrued for in these consolidated financial statements.

The Group performed legal merger of 5 companies acquired in 2008 in Kirovograd region. For the merger to be effective, the Tax Authorities are obliged to issue confirmation about missing of the tax liabilities. The Group has received these confirmations for all 5 companies. Tax Authorities performed regular revisions in two Kharkov cluster companies and revealed no misstatements in these companies. Tax Authorities also performed revision in 2010 in one Kirovograd cluster company and as a result issued order for paying UAH 16 million (EUR 1,391 thousand as at December 31,2009) income tax. The Group considered that request unjustified and challenged the order in court. The Group won the case in the Court of First Instance and the Group's legal consultants were of opinion that paying the amount requested by the local Tax Authority is unlikely and no provision were recognised against the contingency. The next court session took place in 2012. The appellate court ruled in favour of the Company and as at the date of the current report the decision of the appellate court has come into effect.

The Group's former trading company in Ukraine had a VAT receivable accrued from export sales during 2008-2010 in amount of UAH 25.5 million which was not returned by the Tax Authority. The Group unsuccessfully challenged the refusal of the Tax Authority in the first and second instance courts. Court proceedings are still on-going. Due to above management has estimated the recoverability of the receivables not likely and has written off these receivables in amount of EUR 2,432 thousand (UAH 25.6 million) as at December 31, 2012 and continues to account for the receivable as a contingent asset. The loss from the write-off was recorded under Other (losses)/gains-net (Note 25).

RUSSIA:

Tax legislation. Russian tax legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities.

The Russian tax authorities may be taking a more assertive and sophisticated approach in their interpretation of the legislation and tax examinations. This includes them following guidance from the Supreme Arbitration Court for anti-avoidance claims based on reviewing the substance and business purpose of transactions. Combined with a possible increase in tax collection efforts to respond to budget pressures, the above may lead to an increase in the level and frequency of scrutiny by the tax authorities. In particular, it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed.

Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Russian transfer pricing legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of all controllable transactions, provided that the transaction price differs from the market price by more than 20%.

Controllable transactions include transactions with interdependent parties, as determined under the Russian Tax Code, all cross-border transactions (irrespective whether performed between related or unrelated parties), transactions where the price applied by a taxpayer differs by more than 20% from the price applied in similar transactions by the same taxpayer within a short period of time, and barter transactions. There is no formal guidance as to how these rules should be applied in practice. In the past, the arbitration court practice with this respect has been contradictory.

Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible with the evolution of the interpretation of the transfer pricing rules in the Russian Federation and the changes in the approach of the Russian tax authorities, that such transfer prices could be challenged. Given the brief nature of the current Russian transfer pricing rules, the impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the entity.

CHANGE OF CONTROL

Trigon Agri has entered into the Advisory Agreement with Trigon Agri Advisors. Advisory Agreement include change of control clauses. Trigon Agri has the right to terminate the Advisory Agreement if the controlling interest of the Advisor or Trigon Capital are transferred to a third party or if more than 5% of the voting shares of the Advisor or Trigon Capital are acquired, directly or indirectly, by the competitors of Trigon Agri.

In 2011 Trigon Agri issued four-year bonds. The Terms and conditions of the bonds also include change of control clauses (please refer to Note 3.2).

30. COMMITMENTS

The Group leases land and passenger cars under non-cancellable operating lease agreements. Future rent payments from non-cancellable lease agreements are disclosed in Note 23. The Group has no other commitments.

31. BUSINESS COMBINATIONS AND ACQUISITION OF SHAREHOLDINGS

TRANSACTIONS IN 2012

Business combination. On April 4, 2012, the Group acquired 97.8676% of dairy company Väätsa Agro AS in Estonia to expand its dairy production activities. In addition to the initial acquisition in April, on August 7, 2012 the Group acquired also the non-controlling interests of Väätsa Agro AS for EUR 35 thousand leaving the Group 100% owner of Väätsa Agro AS.

The gain from the bargain purchase arising from the acquisition of 97.8675% of Väätsa Agro AS reflects the difference between the net value of the acquired assets and the purchase price of the Väätsa farm and shows that the acquisition was carried out at very favourable terms due to a distressed sale by the previous owners.

Väätsa acquisition-related costs in the amount of EUR 295 thousand have been charged to other administrative expenses in the consolidated income statement.

Since acquisition in 2012 Väätsa Agro revenue stood at EUR 3,393 thousand and loss EUR 327 thousand.

Had Väätsa Agro AS been consolidated from January 1, 2012, the consolidated statement of income would show additional revenue of EUR 1,183 thousand and less profit of EUR 24 thousand.

The purchase price allocation as of April 1, 2012 arising from the acquisition is as follows:

In EUR thousand	
- Total purchase price	7,300
- Cash paid	7,300
Total purchase considerations	7,300
Fair value of net assets acquired	9,034

The assets and liabilities as of April 1, 2012 arising from the acquisition are as follows:

In EUR thousand	Fair value
Cash and deposits	659
Trade receivables and prepayments	466
Inventory	1,017
Biological Assets	3,537
Non-current investments	3
Property, plant and equipment	5,102
Payables and accrued expenses	-1,715
Net assets	9,069
Non-controlling interest	35
Net assets acquired	9,034
Gain from bargain purchase	-1,734
Purchase consideration settled in cash	7,300
Cash and cash equivalents in subsidiary acquired	-659
Cash flow on acquisition	6,641

Business combination. On December 14, 2012, the Group obtained control of 100% of Ennivolorous Holding Ltd, 100% of CJSC Markon and 100% of CJSC Pobeda, which represents a new 71 thousand hectare cereals production cluster in Rostov Oblast in Russia.

The transaction was structured as a land-swap deal where Trigon Agri acquired ownership of legal entities involved in agricultural activities and having a free-hold title to 71 thousand hectares of farmland in the Rostov Oblast in exchange for its two existing Russian production clusters in Samara and Stavropol.

The payment for the shares of the acquired entities was effected in the form of shares in the Group's two existing production clusters in Samara (Investment property) (45 thousand hectares of farmland in ownership) and Stavropol (33 thousand hectares of farmland in ownership) and a monetary payment of EUR 15.1 million. Out of the monetary payment, Trigon Agri has already paid EUR 6 million in 2011 (Note 6) and the remaining EUR 9.1 million will be paid in Q4 2013 (Note 14).

Trigon Agri's new production cluster in Russia's Rostov oblast offers exceptional potential for consistent profitability. The main competitive advantages of the newly acquired farms are proximity to export ports, good historical rainfall, contiguous layout of the land and irrigation potential. Irrigation allows for a much more predictable yield profile, as insufficient rainfall is mitigated through artificial irrigation.

The following table summarises the consideration paid for the legal entities acquired, as well as the fair value of assets acquired and liabilities assumed at the acquisition date. The Group has recognised a gain on disposal of EUR 18,052 thousand as a difference between fair value and carrying value of its disposed assets in Stavropol and Samara. The gain is included in Other (losses)/gains - net in the consolidated income statement (Note 25).

Based on the management's calculations and fair value estimates from external valuators, majority of the gain arose from the disposal of the Stavropol cluster assets, because at the time of the Stavropol cluster acquisition in 2009 the assets were acquired in a distressed sale and therefore the cost was relatively low.

The fair value of land received and given up was determined based on the comparable sales transactions in similar regions, adjusted for a number of factors to reflect the differences with the comparable transactions. External evaluators were used to assess the fair value of land plots in Rostov and Samara cluster.

Because of acquisition of existing agricultural businesses the transaction meets the definition of a business combination, although the majority of the value acquired is attributable to land.

As Rostov cluster companies have not prepared IFRS based financial statements before, it is impracticable to disclose what had been the revenue and profit of the Group, if the acquisition had occurred on January 1, 2012.

Acquisition-related costs of EUR 278 thousand have been charged to other administrative expenses in the consolidated income statement.

In EUR thousand	
Fair value of assets transferred	63,787
Fair value of liabilities transferred	-6,758
Cash paid or payable	15,100
Total purchase considerations	72,129
Fair value of net assets acquired	72,129

Recognised amounts of identifiable assets acquired and liabilities assumed

In EUR thousand	**Fair value**
Trade receivables and prepayments	347
Inventory	871
Biological Assets	1,164
Property, plant and equipment	71,844
Payables and accrued expenses	-2,097
Net assets acquired	72,129

Gain on disposal	
Fair value of net assets disposed	57,029
Less carrying value of net assets disposed	-35,817
Less foreign exchange reserve recycled from Other comprehensive income to Income statement	-3,160
Total gain on disposal	18,052

The initial accounting for a business combination is incomplete for particular assets and liabilities and the amounts recognised in the financial statements for the business combination thus have been determined only provisionally.

TRANSACTIONS IN 2011

Business combination. On April 15, 2011 the Group acquired 100% of PAC Molniya-1 in Ukraine Kharkov region to expand its operations and land under control in the cluster.

The purchase price allocation arising from the acquisition is as follows:

EUR thousand	
- Total purchase price	2,208
- Cash paid	2,208
Total purchase considerations	2,208
Fair value of net assets acquired	2,208

The assets and liabilities arising from the acquisition are as follows:

EUR thousand	**Fair value**
Cash and deposits	16
Trade receivables and prepayments	244
Inventory	77
Biological Assets	158
Property, plant and equipment, and asset certificates	386
Land usage rights	1,431
Payables and accrued expenses	-104
Net assets	2,208
Net assets acquired	2,208
Purchase consideration settled in cash	2,208
Cash and cash equivalents in subsidiary acquired	-16
Cash flow on acquisition	2,192

The impact of the amounts of revenue and profit of the acquiree since the acquisition date are EUR 685 thousand and EUR 1,246 thousand respectively. If the acquiree had been consolidated from the beginning of reporting period, the consolidated revenue would have been EUR 1,934 thousand and profit EUR 1,020 thousand higher.

Other acquisitions of shareholdings not treated as business combinations. As at June 30, 2011 the Group obtained control 100% of LLC Agrokompleks in Russia Stavropol region to improve the Stavropol production unit infrastructure. As the company acquired did not constitute a business it was treated as a purchase of assets. The purchase price of EUR 1,684 thousand was allocated mainly to property, plant and equipment. The impact of the amounts of revenue and profit/loss of the acquiree since the acquisition date are immaterial.

32. GROUP STRUCTURE

The Group's parent company A/S Trigon Agri is registered in Denmark. The parent company owns directly ten subsidiaries (including a branch in Estonia), which are holding companies for the Group operations in Estonia, Ukraine, Russia. These holdings are: Trigon Farming AS (Estonia); TC Farming Russia Ltd. (Cyprus), TC Farming Ukraine Ltd. (Cyprus), Arsetta Investments Ltd. (Cyprus), Laxio Ltd. (Cyprus), United Grain (Suisse) SA (Switzerland), Trigon Dairy Farming AS (Estonia), Trigon Security Llc. (Ukraine), Trigon Agri A/S Eesti filiaal (Estonia), Ennivolorous Holdings Limited (Cypros).

TC Farming Russia and TC Farming Ukraine have both participations in their subsidiary companies in Ukraine and Russia due to the local legislation, which requires that at least two shareholders must exist. Laxio Ltd. has 100% ownership in the company in Ukraine. TC Farming Ukraine owns also shares of the Ukrainian elevators. Trigon Dairy Farming AS owns milk production companies in Estonia and Russia.

All intermediary holding companies have members of the parent Company's Board of Directors as members of the management board, who are responsible for the management of the respective companies.

Transfer of funds from subsidiaries to A/S Trigon Agri is not restricted. However, transfer of funds from Ukraine and Russia to intermediary holdings may be subject to restrictions in relation to foreign currency transactions due to the occasional limitations in local legislation.

As of December 31, 2012 the Group included the following companies:

		Country of registration	**Segment**	**Ownership percentage**	**Legal Status in the Group**
1	Trigon Agri Ltd.	Denmark	-	100%	Parent company
2	TC Farming Ukraine Ltd.	Cyprus	-	100%	Subsidiary
3	TC Farming Russia Ltd.	Cyprus	-	100%	Subsidiary
4	Arsetta Investments Ltd.	Cyprus	-	100%	Subsidiary
5	Laxio Ltd.	Cyprus	-	100%	Subsidiary
6	Ennivolorous Holding Limited	Cyprus	-	100%	Subsidiary
7	LLC Trigon Farming	Ukraine	-	100%	Subsidiary
9	Ltd Costwern	Cyprus	-	100%	Subsidiary
10	Trigon Farming Ltd.	Estonia	-	100%	Subsidiary
11	LLC Russian Agro Investors	Russia	-	100%	Subsidiary
12	United Grain (SUISSE) SA	Switzerland	Trading	100%	Subsidiary
13	LLC Trigon Farming Kharkiv	Ukraine	Ukraine cereals production	100%	Subsidiary
14	LLC Trigon Agro 2	Ukraine	Ukraine cereals production	100%	Subsidiary
15	OJSC Krasnokutskagrohim	Ukraine	Ukraine cereals production	64.87%	Subsidiary
17	PJV Kolos	Ukraine	Ukraine cereals production	100%	Subsidiary
18	LLC Kirovograd agroinvestment company	Ukraine	Ukraine cereals production	100%	Subsidiary
19	LLC Agro Capital Center	Ukraine	Ukraine cereals production	100%	Subsidiary
20	Rodina CWAR	Ukraine	Ukraine cereals production	96%	Subsidiary
21	LLC Agroperspektiva	Ukraine	Ukraine cereals production	100%	Subsidiary
22	LLC Objedinjonnye Agrarnye Sistemy	Ukraine	Ukraine cereals production	100%	Subsidiary
23	PAC Molniya-1	Ukraine	Ukraine cereals production	100%	Subsidiary
24	LLC Trigon-Export	Ukraine	Trading	100%	Subsidiary
25	LLC Ramburs-Trigon	Ukraine	Trading	100%	Subsidiary
26	LLC Trigon-Elevator	Ukraine	Elevators	100%	Subsidiary
27	LLC Trigon-Elevator Vostok	Russia	Elevators	100%	Subsidiary
28	LLC Kovyaqovskoye	Ukraine	Elevators	100%	Subsidiary
29	CJSC Vovchanskiy Combinat Khliboproduktiv	Ukraine	Elevators	100%	Subsidiary
30	LLC Ludmilovsky elevator	Ukraine	Elevators	100%	Subsidiary
31	OJSC Yavkinskiy elevator	Ukraine	Elevators	92.33%	Subsidiary
32	OJSC Novomirgorodski elevator	Ukraine	Elevators	85.70%	Subsidiary
33	LLC Dobruchi-2	Russia	Milk production	100%	Subsidiary
34	LLC Agroholding Moskovie	Russia	Penza cereals production	100%	Subsidiary

		Country of registration	Segment	Ownership percentage	Legal Status in the Group
35	LLC Surskaya Niva	Russia	Penza cereals production	100%	Subsidiary
36	LLC Surskiy Kray	Russia	Penza cereals production	100%	Subsidiary
37	LLC Sura Agro	Russia	Penza cereals production	100%	Subsidiary
38	LLC Surskoe Pole	Russia	Penza cereals production	100%	Subsidiary
39	LLC Agrofirma	Russia	Penza cereals production	100%	Subsidiary
40	LLC Surskoe Zerno	Russia	Penza cereals production	100%	Subsidiary
41	LLC Agro	Russia	Rostov cereals production	100%	Subsidiary
42	CJSC Markon	Russia	Rostov cereals production	100%	Subsidiary
43	OJSC Plemennoy zavod Gashunskiy	Russia	Rostov cereals production	100%	Subsidiary
44	CJSC Pobeda	Russia	Rostov cereals production	100%	Subsidiary
45	OJSC Plemennoy konnyj zavod Zimovmikovskiy	Russia	Rostov cereals production	100%	Subsidiary
46	LLC Trigon Export Vostok (Volga-Grain)	Russia	Trading	100%	Subsidiary
47	Kaiu LT Llc.	Estonia	Milk production	100%	Subsidiary
48	Kärla Farmers Cooperative	Estonia	Milk production	100%	Subsidiary
49	LLC Saare Farmer	Estonia	Milk production	100%	Subsidiary
50	LLC Eikla Agro	Estonia	Milk production	90%	Subsidiary
51	LLC Kärla PM	Estonia	Milk production	100%	Subsidiary
52	LLC Lindoria	Estonia	Milk production	100%	Subsidiary
53	LLC Trigon Moloko	Russia	Milk production	100%	Subsidiary
54	Ltd Trigon Dairy Farming	Estonia	Milk production	100%	Subsidiary
55	LtdVäätsa Agro	Estonia	Milk production	100%	Subsidiary
56	Ltd Trigon Dairy Farming Estonia	Estonia	Milk production	100%	Subsudiary
57	LLC Trigon Security	Ukraine	-	100%	Subsidiary

33. RELATED PARTY TRANSACTIONS

The following parties are considered to be related parties:

- AS Trigon Capital, who owns 7.81 % of shares and holds options for further shares (Note 17);
- Member of the Executive Boards and the Boards of Directors of parent company and subsidiaries and their immediate family members;
- Entities under the control of the members of the Executive Board and Board of Directors or their family members;
- Individuals with significant ownership and entities under their control unless these individuals lack the opportunity to exert significant influence over the business decisions of the Group.

The Group's owners are legal and physical persons and no sole shareholder has control over the Group's activities.

AS Trigon Capital, which owns 7,81% of the total voting shares (7.81% at December 31, 2011) and holds the warrants described in Note 17, provides management services to the Group.

(a) Sales and purchases

in EUR thousand Sales and purchases	2012	2011
Purchase of management services - AS Trigon Capital and its subsidiaries	2,943	2,779
Purchase of goods and services from AS Trigon Capital and its subsidiaries	412	254

The following table sets forth the aggregate gross amounts of salaries and other remuneration by the Group to the members of its Board of Directors and Executive Board in 2011 and in 2012.

in EUR thousand	Salary	Bonuses	Total
2012			
Members of Board of Directors	106	-	106
Members of the Executive Board	144	-	144
	250	**-**	**250**
2011			
Members of Board of Directors	76	-	76
Members of the Executive Board	154	-	154
	230	**-**	**230**

The payments from the company to the Executive Board members in 2012 amounted to EUR 144 thousand (in 2011 EUR 155 thousand). In accordance with the management agreement signed between the Group and Trigon Agri Advisors, Executive Board members compensation form a part of the management fee payable to Trigon Agri Advisors. Therefore, in each reporting period where payments are made directly from the Group to any Executive Board members, the management fee for such period is reduced by the corresponding amount as the payment to the Executive Board members during the period. The respective deduction of the management fee in 2012 stood at EUR 144 thousand (in 2011 EUR 155 thousand).

As of December 31, 2012 the Group had liability to Board of Directors members in the amount of EUR 40 thousand (EUR 122 thousand as of December 31, 2011).

During the year 2012 AS Trigon Capital has paid for the operating expenses in the amount of EUR 411 thousand (EUR 243 thousand Euros in 2011) what has been re-invoiced to the Group. No warrants were issued to AS Trigon Capital in 2011 or 2012 (Note 17).

(b)Balances arising from sales/purchases of goods/services

Balances from sales/purchases of goods/services	31.12.2012	31.12.2011
Payable to AS Trigon Capital and its subsidiaries (Note 14)	15	741

34. FEES TO THE AUDITORS APPOINTED BY THE SHAREHOLDERS

The following fees have been paid to PricewaterhouseCoopers:

in EUR thousand	2012	2011
Audit	483	236
Other assurance engagements	214	149
Tax advice and consultations	240	452
Other services	60	6
	997	**843**

PricewaterhouseCoopers was not elected as the statutory auditor, and thus did not audit the annual report for the following companies:

- LLC Trigon Farming Kharkiv
- LLC Kaiu LT
- Kärla Farmers Cooperative
- LLC Saare Farmer
- LLC Eikla Agro
- Ltd Väätsa Agro
- LLC Kovyaqovskoye
- LLC Ludmilovsky elevator
- OJSC Yavkinskiy elevator
- OJSC Novomirgorodski elevator
- LLC Trigon Farming
- LLC Russian Agro Investors

35. EVENTS AFTER THE BALANCE SHEET DATE

As at the date of the current report there is no reason to assume any losses related to the winter crop areas. However, the need for reseedings can be determined only in spring once the plants start to develop.

36. FINANCIAL STATEMENTS OF THE PARENT COMPANY

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

in EUR thousand	Note	31.12.2012	31.12.2011
ASSETS			
Current assets			
Cash and cash equivalents	37.5	173	10,712
Trade and other receivables	37.7	4,713	11,248
		4,886	**21,960**
Non-current assets			
Investments in subsidiaries	37.6	157,655	144,802
Trade and other receivables	37.7	52,904	43,867
Intangible assets	37.8	199	179
		210,758	**188,848**
Total assets		**215,644**	**210,808**
LIABILITIES			
Current liabilities			
Trade and other payables	37.9	13,607	5,267
Borrowings	37.10	2,393	-
		16,000	**5,267**
Non-current liabilities			
Borrowings	37.10	40,280	40,348
		40,280	**40,348**
Total liabilities		**56,280**	**45,615**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Ordinary shares	37.11	64,814	129,627
Share premium	37.11	99,941	35,127
Retained earnings		- 5,391	438
Total equity		**159,364**	**165,193**
Total equity and liabilities		**215,644**	**210,808**

STATEMENT OF THE COMPREHENSIVE INCOME OF THE PARENT COMPANY

in EUR thousand	Note	2012	2011
Revenues		4,703	1,614
Employee benefits expense	37.12	-1,031	-305
Other expenses		-2,693	-5,146
Operating profit/loss		**979**	**-3,837**
Gains/losses from exchange rate differences		-1,471	-887
Finance income	37.13	60,332	2,321
Finance cost	37.13	-65,309	-2,316
Profit before income tax		**-5,469**	**-4,719**
Corporate income tax		-	524
Net profit for the period		**-5,469**	**-4,195**
Other comprehensive income			**-**
Total comprehensive income for the period		**-5,469**	**-4,195**

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

in EUR thousand	Share capital	Share premium	Retained earnings	Total
Balance at 31.12.2010	**129,627**	**35,127**	**4,633**	**169,387**
Expenses related to issue of new shares	-	-	-	**-**
Total comprehensive income for the period	-	-	-4,195	**-4,195**
Balance at 31.12.2011	**129,627**	**35,127**	**438**	**165,193**
Reduction in share capital	-64,814	64,814	-	-
Expenses related to issue of new shares	-	-	-	**-**
Dividends	-	-	-360	**-360**
Total comprehensive income for the period	-	-	-5,469	**-5,469**
Balance at 31.12.2012	**64,814**	**99,941**	**-5,391**	**159,364**

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

In EUR thousand	Note	2012	2011
Cash flows from operating activities			
Cash receipts from customers		3,574	-
Cash paid to suppliers and employees		-7,215	-5,935
Income tax paid		-97	-5
Interest received		20	65
Net cash used in operating activities		**-3,718**	**-5,875**
Cash flows from investing activities			
Investment into subsidiary		-29	-
Loan payments to subsidiaries		-18,928	-18,863
Proceeds from loan repayments from subsidiaries		16,764	4,000
Purchase of intangible assets		-198	-
Short-term loans given, net		-	-6,000
Net cash used in investing activities		**-2,391**	**-20,863**
Cash flows from financing activities			
Proceeds from bonds net of fees		-	36,884
Dividends paid to company`s shareholders		-263	-
Interest paid		-4,582	-
Repayments of borrowings		-28	-
Interest paid to subsidiaries		-25	-
Net proceeds from loans from subsidiaries		428	-
Net cash generated from financing activities		**-4,470**	**36,884**
Net increase in cash and cash equivalents		-10,579	10,146
Effects of exchange rate changes on cash and cash equivalents		40	280
Cash and cash equivalents at beginning of period	37.5	10,712	286
Cash and cash equivalents at end of period	37.5	**173**	**10,712**

37. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

37.1 GENERAL INFORMATION

The Company was established on December 11, 2006. Trigon Agri A/S ('the Company") is the parent company of the Trigon Agri Group. The Company is a limited liability company incorporated and domiciled in Denmark. The address of its registered certificates of subscription office is Sundkrogsgade 5, DK-2100 Copenhagen.

The Parent Company has in 2011 established a branch "Trigon Agri Eesti Filiaal" in Estonia. The branch employs the people of Tallinn office, that were transferred to Trigon Agri Eesti Filiaal from Trigon Agri subsidiary Trigon Farming, and who perform overall management of the subsidiaries, consolidation, legal, controlling etc.

The Company prepares its separate financial statements in accordance with IFRS and the additional Danish requirements for annual reports.

The principal accounting policies applied in the preparation of these financial statements are set out below.

37.2 ACCOUNTING PRINCIPLES

Basis of preparation of the financial statements of the parent company

The financial statements of Trigon Agri A/S have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU (IFRS). The parent company has applied the same accounting policies as the Group, except for the investments in subsidiaries as described below. See Note 2 to the Consolidated Financial Statements, for the summary of significant accounting policies of the Group.

Long-term investments in subsidiaries and associate companies

In the separate financial statements of the parent company the investments in subsidiaries are recognised and measured at cost. Equity interests in foreign currencies are translated to the reporting currency using the historical exchange rate prevailing at the time of transaction. Where cost exceeds the recoverable amount, the carrying value is written down to the recoverable amount. Dividends from investments in subsidiaries, joint ventures and associates are recognized as income in the financial year when the dividends are distributed.

Segment reporting

The Board of Directors has determined that the activities of the parent company form a single operating segment. The internal reporting reviewed by the Board of Directors is prepared using the same accounting principles and format of statement of financial position and statement of comprehensive income as provided in these separate financial statements.

37.3 CRITICAL ACCOUNTING ESTIMATES

On each balance sheet date the management of the parent company evaluates the investments and loans to subsidiaries. In 2012 impairment was recorded in investment in TC Farming Russia Ltd due to disposal of its subsidiaries in Samara and Stavropol cluster (Note 37.6 and 31). No indications of write-down in investments in subsidiaries or loans given were noted in 2011.

37.4 FINANCIAL RISK MANAGEMENT

Financial risk management principles of Trigon Agri A/S correspond to the principles used for the whole Group. For further information of the financial risk management principles used please refer to the consolidated financial statements Note 3. For details concerning the parent company please refer to the other Notes of the financial statements of the parent company.

37.5 CASH AND CASH EQUIVALENTS OF THE PARENT COMPANY

in EUR thousand	**2012**	**2011**
Cash at bank and on hand	173	5,438
Bank deposits up to 12 months	-	5,274
	173	**10,712**

As at December 31, 2011 bank deposits up to 12 months were SEK-nominated bank deposits (in total amount of SEK 47,000 thousand) bearing an annual interest rate of 1.7%.

The credit rating (Moody`s) of the banks where the cash was held was A to A+.

37.6 LONG-TERM INVESTMENTS IN SHARES OF SUBSIDIARIES

Breakdown of investments in subsidiaries by companies is given in the table below:

in EUR thousand	2012	2011
TC Farming Ukraine Ltd.	55,512	55,512
TC Farming Russia Ltd.	12,212	72,489
Arsetta Investments Ltd.	2	2
Laxio Ltd.	406	406
United Grain (SUISSE) Ltd.	834	834
Ltd Trigon Dairy Farming	14,345	13,345
Llc Trigon Security	28	27
Trigon Farming Ltd.	2,187	2,187
Ennivolorous Holding Limited	72,129	-
	157,655	**144,802**

In 2012 impairment in investment in TC Farming Russia Ltd was recorded due to disposal of its subsidiaries in Samara and Stavropol cluster (Note 31).

As of December, 31 2012 the parent company owned directly the following companies:

	Country of registration	Segment	Ownership percentage	Legal Status
TC Farming Ukraine Ltd.	Cyprus	-	100%	Subsidiary
TC Farming Russia Ltd.	Cyprus	-	100%	Subsidiary
Arsetta Investments Ltd.	Cyprus	-	100%	Subsidiary
Laxio Ltd.	Cyprus	-	100%	Subsidiary
United Grain (SUISSE) Ltd.	Switzerland	Trading	100%	Subsidiary
Ltd Trigon Dairy Farming	Estonia	Milk production	53%	Subsidiary
Llc Trigon Security	Ukraine	-	100%	Subsidiary
Trigon Farming Ltd.	Estonia	-	100%	Subsidiary
Ennivolorous Holding Limited	Cyprus	-	100%	Subsidiary

As of December, 31 2011 the parent company owned directly the following companies:

	Country of registration	Segment	Ownership percentage	Legal Status
TC Farming Ukraine Ltd.	Cyprus	-	100%	Subsidiary
TC Farming Russia Ltd.	Cyprus	-	100%	Subsidiary
Arsetta Investments Ltd.	Cyprus	-	100%	Subsidiary
Laxio Ltd.	Cyprus	-	100%	Subsidiary
Vilasmon Enterprises Ltd.	Cyprus	-	100%	Subsidiary
United Grain (SUISSE) Ltd.	Switzerland	Trading	100%	Subsidiary
Ltd Trigon Dairy Farming	Estonia	Milk production	53.00%	Subsidiary
Llc Trigon Security	Ukraine	-	100%	Subsidiary
Trigon Farming Ltd.	Estonia	-	100%	Subsidiary

37.7 TRADE AND OTHER RECEIVABLES

in EUR thousand	2012	2011
Current receivables:		
Receivables from subsidiaries	4,504	5,042
Short-term loans given	-	6,186
Other receivables	137	-
Total current receivables	**4,641**	**11,228**
Current prepayments:		
Prepayments for indirect taxes	72	20
	72	**20**
Total current receivables and prepayments	**4,713**	**11,248**
Non-current receivables:		
Loans to subsidiaries	52,904	43,867
Total non-current receivables	**52,904**	**43,867**
Total receivables and prepayments	**57,617**	**55,114**

Breakdown of the loans to subsidiaries by companies is given below:

in EUR thousand	31.12.2012	31.12.2011
TC Farming Ukraine Ltd.	13,744	22,526
TC Farming Russia Ltd.	22,210	16,364
Russian Agro Investors Ltd.	13,281	4,730
Surskoe Zerno Ltd.	474	232
Ltd Trigon Dairy Farming	3,195	14
Total loans to subsidiaries	**52,904**	**43,867**

During 2012, short-term loans in amount of EUR 6,000 thousand were reclassified to prepayments for Rostov cluster acquisition. The completion of the acquisition was carried out in 4Q 2012. For more information on the Rostov cluster acquisition please refer to Note 31.

The ageing analysis of trade receivables is as follows:

in EUR thousand	31.12.2012	31.12.2011
Up to 3 months	36	5,042
Over 6 months	4,468	-
	4,504	**5,042**
including receivables not due	4,504	1,888
including receivables overdue up to 3 months	-	-
including receivables overdue up 3 to 6 months	-	3,154
including receivables overdue over 6 months	-	-

The expected periodization of proceeds from other receivables is as follows:

in EUR thousand	31.12.2012	31.12.2011
Up to 3 months	29	-
Over 6 months	108	-
	137	**-**
including receivables not due	137	-

The expected periodization of proceeds from loan receivables is as follows:

in EUR thousand	31.12.2012	31.12.2011
including receivables not due	52,904	50,053

The effective interest rates on non-current receivables were as follows:

	2012	2011
Loans to related parties	7.0-11.0%	7.0-11.0%

The carrying amounts of the trade and other receivables were denominated in the following currencies:

in EUR thousand	31.12.11	31.12.2011
US dollar	501	246
Russian ruble	25	24
Euro	57,091	54,844
	57,617	**55,114**

37.8 INTANGIBLE ASSETS

As at December 31, 2012 Intangible assets in amount of EUR 199 thousand included investments into consolidation software (EUR 179 thousand as at December 31, 2011) . During 2012 the investments were under development and thus not amortised.

37.9 TRADE AND OTHER PAYABLES

in EUR thousand	31.12.2012	31.12.2011
Trade payables	9,218	88
Social security and other taxes	47	22
Accrued expenses	448	253
Amounts due to related parties	3,894	4,904
	13,607	**5,267**
Less: non-current portion	-	-
	13,607	**5,267**

Trade payables in amount of EUR 9,100 thousand are related to the deferred payment of the Rostov cluster acquisition. Maturity date of the payable is in 4Q 2013 and no interest will be accrued on the amount. For more information on the Rostov cluster acquisition please refer to Note 31.

in EUR thousand	31.12.2012	31.12.2011
Ukrainian hryvna	-	29
Euro	13,607	5,238
	13,607	**5,267**

37.10 BORROWINGS

As at December 31, 2012 borrowings in amount of EUR 42,673 thousand (EUR 40,348 thousand as at December 31, 2011) include liability for four-year SEK-nominated bonds with maturity date in June 29, 2015 in amount of EUR 39,866 thousand (EUR 38,116 thousand as at December 31, 2012) and accrued interests in amount of EUR 2,393 thousand (EUR 2,232 thousand as at December 31, 2011). The bonds are nominated in SEK and are bearing annual fixed interest rate of 11%. For further information please refer to consolidated financial statements Note 15.

37.11 SHARE CAPITAL OF THE PARENT COMPANY

in EUR thousand	Number of shares	Ordinary shares	Share capital	Share premium	Total
Balance at 31.12.2010	**129,627,479**	**129,627,479**	**129,627**	**35,127**	**164,754**
Balance at 31.12.2011	**129,627,479**	**129,627,479**	**129,627**	**35,127**	**164,754**
Reduction in share capital	-	-	-64,814	64,814	-
Balance at 31.12.2012	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**

The Company was founded on December 11, 2006 with total ordinary share capital at foundation of 500,000 Danish kronas (EUR 67,018). At the foundation, the Company had only ordinary shares. As of March 27, 2007 the Company's share capital was changed to be EUR nominated, the share capital was increased with issue of additional 85,133 shares for cash.

On April 2, 2007, the Company issued 19,475,328 new ordinary shares with a par value of EUR 1 per share. For additional information regarding the share capital please see Note 17 in the consolidated financial statements.

On May 10, 2007 the Company's extraordinary shareholder's meeting made a resolution to increase the share capital issuing 40,000,000 new shares with a par value of EUR 1 per share. The new investors subscribed all 40,000,000 shares with the price of EUR 1.25 per share. The payment for the subscribed shares was made in cash. After the new share issue the share capital increased to EUR 59,627,479.

Starting from May 18, 2007 the shares of Trigon Agri A/S were listed in First North stock exchange in Stockholm, an alternative market place part of the OMX Nordic Exchange.

On May 6, 2008 the Group's extraordinary shareholder's meeting made a resolution to increase the share capital issuing 70,000,000 new shares with a par value of EUR 1 per share. The new investors subscribed all 70,000,000 shares with the price of EUR 1.50 per share. The payment for the subscribed shares was made in cash. After the share issue the share capital increased to EUR 129,627,479.

Based on the resolution of the Extraordinary General Meeting of the shareholders, which was held on 29 October 2008 in Copenhagen, the Board of Directors was authorised to acquire own shares on behalf of the company. The purpose of acquiring the company's own shares was to enhance shareholder value.

As of December 31, 2008 the Company had purchased 10,700,100 shares and paid for the shares EUR 4,246,067 whereas the amount of unsettled trades as of December 31, 2008 was EUR 30,580.

As of December 31, 2009 the Company had purchased 12,857,000 shares and paid for the shares EUR 5,757 thousand. The shares were bought to provide additional value to the investors. There were no unsettled trades at December 31, 2009. All treasury shares were sold in February 2011 with the average price of EUR 0.765 per share. Total proceeds from the sales were EUR 9,638 thousand (net of fees paid to the brokers).

Since December 8, 2010 the shares of Trigon Agri A/S are listed on main market of Small Cap segment on NASDAQ OMX Stockholm.

37.12 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense in amount of EUR 1,031 thousand (EUR 305 thousand in 2011) includes salary expenses in amount of EUR 769 thousand (EUR 264 thousand in 2011) and social tax expenses in amount of EUR 262 thousand (EUR 41 thousand in 2011).

The average number of employees in 2012 was 21 and in 2011 two.

in EUR thousand	2012	2011
Fees of Members of Board of Directors and Executive Board	191	202
Social security costs related to fees of Members of Board of Directors and Executive Board	59	28
	250	**230**
Wages and salaries	578	62
Social security costs	203	13
	781	**75**
	1,031	**305**

37.13 FIANNCE INCOME AND FINANCE COSTS

in EUR thousand	2012	2011
Interest income	3,302	2,321
Dividend income from related party	57,029	-
Other finance income	1	-
	60,332	**2,321**
Bond interests	-4,835	-2,304
Other interests	-11	-12
Write-down of subsidiaries	-60,277	
Other finance costs	-186	-
	-65,309	**-2,316**

37.14 RELATED PARTY TRANSACTIONS

Sales and purchases	2012	2011
Sale of services to group companies	4,692	1,414
Purchase of management services - AS Trigon Capital and its subsidiaries	-	2,779
Purchase of goods and services from AS Trigon Capital and its subsidiaries	393	254

The following table sets forth the aggregate gross amounts of salaries and other remuneration to the Board of Directors and Executive Board in 2012 and in 2011

in EUR thousand	Salary (incl social security costs)	Bonuses	Total
2012			
Members of Board of Directors	106	-	106
Members of the Executive Board	144	-	144
	250	**-**	**250**
2011			
Members of Board of Directors	76	-	76
Members of the Executive Board	154	-	154
	230	**-**	**230**

Balances from sales/purchases of goods/services	31.12.2012	31.12.2011
Payable to AS Trigon Capital and its subsidiaries	15	741

MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Trigon Agri A/S for the financial year 1 January – 31 December 2012.

The Annual Report is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. Moreover, the Annual Report is prepared in accordance with additional Danish disclosure requirements for listed companies.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2012 of the Group and the Company and of the results of the Group and Company operations and cash flows for the financial year 1 January – 31 December 2012.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Company, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, March 28, 2013

____________________	____________________	____________________
Joakim Helenius	Pertti Laine	René Nyberg
Chairman of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors
____________________	____________________	
Raivo Vare	David Mathew	
Member of the Board of Directors	Member of the Board of Directors	
____________________	____________________	
Ülo Adamson	Konstantin Kotivnenko	
Chairman of the Executive Board	Member of the Executive Board	

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Trigon Agri A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements (incorporated in note 36-37) of Trigon Agri A/S for the financial year 1 January to 31 December 2012, which comprise statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies, for the Group as well as for the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view 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 Company'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 Consolidated Financial Statements and the Parent Company Financial Statements.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2012 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Copenhagen, March 28, 2013

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Niels Jørgen Lodahl

State Authorised Public Accountant

Tue Stensgaard Sørensen

State Authorised Public Accountant

DEFINITIONS

Acid test	*(Total current assets – Inventories (inventories including biological assets)/Total current liabilities*. The acid test or quick ratio measures a company's ability to use its near cash or quick assets to immediately extinguish or retire its short-term liabilities (liabilities due within the next twelve months).
Current ratio	*Total current assets/Total current liabilities*. The current ratio measures a company's ability to meet short-term obligations (liabilities due within the next twelve months).
Earnings per share	*Net result attributable to the shareholders of the Company/ weighted average number of common shares outstanding during the period* (in accordance with IAS 33). Earnings/loss per share for profit attributable to the equity holders of the Company during the year, both basic and diluted.
EBITDA	EBITDA is calculated by adding to the operating profit the annual depreciation of the fixed assets and amortisation of land-related long-term prepayments
EBITDA margin	*EBITDA/ Total revenue, other income and fair value adjustments.* EBITDA is calculated by adding to the operating profit the annual depreciation of the fixed assets and amortisation of land-related long-term prepayments. EBITDA margin measures a company's earnings after operational cash costs (i.e. excluding depreciation and amortisation) relative to its revenue, independent of the Company's financing and tax position.
Equity ratio	*Total equity/Total assets.* Equity ratio measures financial leverage, demonstrating the capital structure of a company.
Net profit margin	*Net profit attributable to the owners of the parent company/ Total revenue, other income and fair value adjustments.* Net profit margin measures a company's net profitability relative to its revenue.
Return on assets (ROA)	*Net profit attributable to the owners of the parent company/Average total assets.* Return on assets compares income with total assets measuring management's ability and efficiency in using the firm's assets to generate profits
Return on equity (ROE)	*Net profit attributable to the owners of the parent company/Average equity excluding minority interest.* Return on equity relates income with the equity capital measuring management's ability and efficiency in generating return to the shareholders of the Company.