

Condensed consolidated interim report for the
first quarter
2009

Beginning of interim period:	1.1.2009
End of interim period:	31.03.2009
Beginning of financial year:	1.1.2009
End of financial year:	31.12.2009
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Brief description

AS Trigon Property Development is a real estate development company which was set up after the division of AS Viisnurk.

AS Trigon Property Development currently owns one real estate development project involving a 40-hectare area in the City of Pärnu, Estonia. Commercial real estate will be developed on this area. The Group's shares are listed in the Main List of Tallinn Stock Exchange. The majority owner of AS Trigon Property Development is OÜ Trigon Wood. The entity with the ultimate control over the Company is TDI Investments KY that is registered in Finland and is owned by Scandinavian private investors.

Management report

Overview of business areas

The main business activity of Trigon Property Development AS is real estate development. Until the beginning of construction works the Group also rents out property.

Investments

As at the end of first quarter 2009 AS Trigon Property Development owned one development project involving a 40 hectare area in the City of Pärnu, Estonia. Commercial real estate will be developed on this area.

Staff

AS Trigon Property Development had no employees as at 31 March 2009 and 31 December 2008.

Balance sheet	EEK thous		thous EUR	
	First quarter 2009	First quarter 2008	First quarter 2009	First quarter 2008
Total assets	124 534	137 724	7 959	8 802
Return on assets	0.05%	0.00%	0.05%	0.00%
Equity	121 207	134 320	7 746	8 584
Return on equity	0.06%	0.00%	0.06%	0.00%
Debt ratio	2.67%	2.47%	2.67%	2.47%

Share (31.03)	EEK thous		thous EUR	
	First quarter 2009	First quarter 2008	First quarter 2009	First quarter 2008
Closing price of the share (EEK/EUR)	4.54	20.34	0.29	1.30
Earnings per share (EEK/EUR)	0.02	0.00	0.00	0.00
Price-to-earnings (PE) ratio	-	-	-	-
Book value of the share (EEK/EUR)	26.94	29.86	1.72	1.91
Price-to-book ratio	0.17	0.68	0.17	0.68
Market capitalisation	20 426	91 511	1 305	5 849

Financial ratios

Return on assets = net profit / total assets

Return on equity = net profit/ equity

Debt ratio = liabilities / total assets

Earnings per share = net profit/ number of shares

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

Book value of the share = equity / number of shares

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

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

Risks

Interest rate risk

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

Foreign exchange risk

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

Operating environment risk

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

Fair value

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

Group structure

Country of location	OÜ VN Niidu Kinnisvara (Estonia)
Number of shares 31.12.2008 (pcs)	1
Ownership percentage 31.12.2008	100
Number of shares 31.03.2009 (pcs)	1
Ownership percentage 31.03.2009	100
Shares of subsidiaries	

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

Condensed consolidated interim report

Management Board's declaration

The Management Board confirms the correctness and completeness of the consolidated condensed unaudited interim report of AS Trigon Property Development for the first quarter 2009 as set out on pages 6 -13.

The Management Board confirms that:

1. the accounting policies used in the preparation of the condensed consolidated interim report are in compliance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The presentation of the condensed interim report is in compliance with the requirements of IAS 34 *Interim Financial Reporting*;
2. the interim report presents a true and fair view of the financial position, the results of operations and cash flows of the Group;
3. group entities are going concerns.

Member of the Management Board



Aivar Kemp

29 May 2009

Condensed consolidated balance sheet

	<i>EEK thous</i>	<i>EEK thous</i>	<i>EUR thous</i>	<i>EUR thous</i>
	31.03.2009	31.12.2008	31.03.2009	31.12.2008
Cash	117	69	7	4
Receivables and prepayments	137	125	9	8
Total current assets	254	194	16	12
Investment property (note 2)	124 280	124 280	7 943	7 943
Total non-current assets	124 280	124 280	7 943	7 943
TOTAL ASSETS	124 534	124 474	7 959	7 955
Borrowings (note 3)	1 026	1 026	66	66
Payables and prepayments	147	155	9	10
Total current liabilities	1 173	1 181	75	76
Long-term borrowings (note 3)	2 154	2 154	138	138
Total non-current liabilities	2 154	2 154	138	138
Total liabilities	3 327	3 335	213	214
Share capital at nominal value (note 4)	44 991	44 991	2 875	2 875
Share premium	3 537	3 537	226	226
Statutory reserve capital	4 499	4 499	288	288
Retained earnings	68 180	68 112	4 357	4 352
Total equity	121 207	121 139	7 746	7 741
TOTAL LIABILITIES AND EQUITY	124 534	124 474	7 959	7 955

The notes to the condensed consolidated interim report presented on pages 10-13 are an integral part of this report.

Condensed consolidated income statement

	<i>EEK thous</i>	<i>EEK thous</i>	<i>EUR thous</i>	<i>EUR thous</i>
	First quarter 2009	First quarter 2008	First quarter 2009	First quarter 2008
Rental income (note 6)	155	117	10	8
Expenses related to investment property	-45	-45	-3	-3
Gross profit	110	72	7	5
Administrative and general expenses	-33	-71	-2	-5
Operating profit	77	1	5	0
Net financial income	-9	0	0	0
NET PROFIT FOR THE PERIOD	68	1	5	0
Basic earnings per share (note 5)	0.02	0.00	0.00	0.00
Diluted earning per share (note 5)	0.02	0.00	0.00	0.00

Condensed consolidated cash flow statement

	<i>EEK thous</i>	<i>EEK thous</i>	<i>EUR thous</i>	<i>EUR thous</i>
	First quarter 2009	First quarter 2008	First quarter 2009	First quarter 2008
Cash flows from operating activities				
<i>Net profit for the period</i>	68	1	5	0
<i>Adjustments for:</i>				
Interest expenses	9	0	0	0
Changes in working capital:	77	1	5	0
Change in receivables and prepayments related to operating activities	-12	-13	-1	0
Change in liabilities and prepayments related to operating activities	-17	16	-1	0
Cash generated from operations	48	4	3	0
Total cash flows from operating activities	48	4	3	0
NET INCREASE IN CASH BALANCE	48	4	3	0
OPENING BALANCE OF CASH	69	372	4	24
CLOSING BALANCE OF CASH	117	376	7	24

The notes to the condensed consolidated interim report presented on pages 10-13 are an integral part of this report.

Condensed consolidated statement of changes in equity

<i>EEK thous</i>	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
Balance 31.12.2007	44 991	3 537	4 499	81 292	134 319
Net profit for 3 months 2008	0	0	0	1	1
Balance 31.03.2008	44 991	3 537	4 499	81 293	134 320
Balance 31.12.2008	44 991	3 537	4 499	68 112	121 139
Net profit for 3 months 2009	0	0	0	68	68
Balance 31.03.2009	44 991	3 537	4 499	68 180	121 207

<i>EUR thous</i>	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
Balance 31.12.2007	2 875	724	288	8 233	12 120
Net profit for 3 months 2008	0	0	0	0	0
Balance 31.03.2008	2 875	724	288	8 233	12 120
Balance 31.12.2008	2 875	226	288	4 352	7 741
Net profit for 3 months 2009	0	0	0	5	5
Balance 31.03.2009	2 875	226	288	4 357	7 746

The notes to the consolidated condensed interim financial statements presented on pages 10-13 on are an integral part of these financial statements.

Notes to condensed consolidated interim report

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

The condensed interim report prepared as at 31 March 2009 include the consolidated results of AS Trigon Property Development and its wholly-owned subsidiary OÜ VN Niidu Kinnisvara (together referred to as the Group). The Group's main area of operations is real estate development.

The accounting policies used for preparing the condensed consolidated interim report of AS Trigon Property Development for the first quarter 2009 are in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The presentation of the consolidated financial statements complies with the requirements of IAS 34 "Interim Financial Reporting". Condensed consolidated interim financial statements should be read together with the consolidated annual report of last year. The accounting policies that have been used in the preparation of the condensed interim report are the same as those used in the consolidated annual report for the year ended 31 December 2008.

Management estimates that AS Trigon Property Development is a going concern and the Group's consolidated interim report for the first quarter 2009 presents a true and fair view of the financial position, the results of operations and the cash flows of AS Trigon Property Development. This interim report has not been audited.

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

Note 2 Investment property

	<i>EEK thous</i>	<i>EUR thous</i>
Balance as of 31.12.2007	137 251	8 772
Balance as at 31.03.2008	137 251	8 772
Balance as of 31.12.2008	124 280	7 943
Balance as at 31.03.2009	124 280	7 943

Group currently owns one real estate development project involving a 40-hectare area in the City of Pärnu, Estonia.

The costs related to the management of investment property totalled 45 thousand kroons/3 thousand euros in 3 months 2009 and 2008.

The property has been rented out until the beginning of construction works under operating lease agreements. Revenue from the leasing of investment property totalled 155 thousand kroons/10 thousand euros in 3 months 2009 and 117 thousand kroons/7 thousand euros in 3 months 2008.

The investment property was evaluated by independent qualified appraisers of Colliers International at the end of financial year 2008. The evaluation was based on discounted cash

flow estimates due to the fact that there were no transactions with similar properties done recently as the real estate market has been very illiquid in comparison with the previous period.

Management of the Company has tested the value of the evaluation that based on discounted cash flow estimates respecting the transactions with the similar properties done in Pärnu (which has been done in very limited quantity) and came to conclusion that value of the property investment measured in this annual report is rather conservative in comparison with the prices of transactions done.

According to the Group's investment strategy with similar investment property items, the Management Board assessed that the developed investment property will be rented out and therefore the Group will continue to record the immovable as investment property after the development stage. Thus, the Group has not reclassified the investment property as an item of property, plant and equipment in the development stage and will continue to record it as investment property.

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

As at 31 March 2009 and 31 December 2008, investment properties were encumbered with mortgages for the benefit of Estonian Republic in the amount of 6 186 thousand kroons/395 thousand euros. Mortgages were set as collateral for long-term borrowings (note 3). As at 31 March 2009 and 31 December 2008 the carrying amount of investment properties encumbered with mortgages was 124 280 thousand kroons/7 943 thousand euros.

Note 3 Borrowings

	<i>EEK thous</i>	<i>EEK thous</i>	<i>EUR thous</i>	<i>EUR thous</i>
	31.03.2009	31.12.2008	31.03.2009	31.12.2008
Short-term borrowings	1 026	1 026	66	66
Long-term borrowings	2 154	2 154	138	138
TOTAL	3 180	3 180	204	204

Borrowings include the instalment payment for land on which interest in the amount of 39 thousand kroons/2 thousand euros per annum is paid. The repayment date of the loan is 2015. Investment property with the carrying amount of 124 280 thousand kroons/7 943 thousand euros as at 31 March 2009 and 31 December 2008 has been set as collateral for the borrowings. Using the interest rate of 7% per annum, the fair value of the loan is 1 989 thousand kroons/127 thousand euros.

Loans in the amount of 485 thousand Estonian kroons/31 thousand euros and 150 thousand Estonian kroons/9 thousand euros and with the maturity dates accordingly 31 December 2009 and 20 November 2009 are considered as current liability. These borrowings are denominated in euros and the interest rate of these borrowing are 6 % per year.

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

Note 4 Equity

	Number of shares <i>pcs</i>	Share capital <i>EEK</i>	Share capital <i>EUR</i>
Balance 31.03.2009	4 499 061	44 990 610	2 875 424
Balance 31.12.2008	4 499 061	44 990 610	2 875 424

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

Note 5 Earnings per share

	<i>EEK</i>	<i>EEK</i>	<i>EUR</i>	<i>EUR</i>
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Basic earnings per share (basic EPS)	0.02	0.00	0.00	0.00
Diluted earnings per share	0.02	0.00	0.00	0.00
Book value of the share	26.94	29.86	1.72	1.91
Price to earnings ratio (P/E)	-	-	-	-
Closing price of the share of AS Trigon Property Development on Tallinn Stock Exchange	4.54	20.34	0.29	1.30

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

Basic EPS for 3 months 2009 = 68 thousand / 4 499 061 = 0.02 kroons / 0.00 euros
 Basic EPS for 3 months 2008 = 1 thousand / 4 499 061 = 0.00 kroons / 0.00 euros

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

Price to earnings (P/E) ratio for 3 months 2009 = 4.54 / 0.02 = -
 Price to earnings (P/E) ratio for 3 months 2008 = 20.34 / 0.00 = -

Note 6 Net sales

The net sales of AS Trigon Property Development for the 3 months of 2009 totalled 155 thousand kroons/10 thousand euros and for the 3 months of 2008 totalled 117 thousand kroons/8 thousand euros which consisted of the rental services relating to the registered immovables.

Note 7 Related party transactions

The following parties are considered to be related parties:

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

The ultimate controlling party of the Group is TDI Investments KY, registered in republic of Finland and belonging to Scandinavian investors.

In first 3 months 2009 and 2008 no remuneration has been paid to the Management or Supervisory board.

There are no potential liabilities to members of the Management Board of Supervisory Board.

In first 3 months 2009 and 2008 no goods and services were bought from related parties.

In 2008 the Group received loans from companies that are controlled by members of the Management Board or Supervisory Board of Trigon Property Development AS in the amount of 635 thousand Estonian kroons/40 thousand euros. The loans are payable in 2009. As at 31 March 2009 the accrued interest is 27 thousand Estonian kroons/2 thousand euros.