



A/S Trigon Agri: acquisition of a new 30,000 ha cereals production farm in Rostov, Russia with exceptional characteristics

With the following A/S Trigon Agri announces that it has signed an agreement for the acquisition of a new 30,000ha production cluster in Rostov, Russia. The farm to be acquired is exceptional due mainly to three strong competitive advantages: location, contiguous layout and irrigation potential. These three factors together allow the farm to have very high profitability potential.

The Rostov farm is located in the neighbourhood of the Novorossiysk port. Novorossiysk port is the main export hub of grains from Russia through the Black Sea transportation corridor. The proximity to this port leads to high average prices received for the sale of grains, as domestic farm-gate grain prices in Russia vary considerably depending upon the distance of the sale location from the main ports.

The land area of the acquired farm is laid out as one large contiguous block of ca 20 by 20 kilometres. The contiguous nature of the fields allows for the land to be farmed with the most optimal logistics costs incurred, as field equipment does not need to travel long distances to move from one field to another. This results in a very low cost per tonne produced and allows for high profitability margins.

The land to be acquired is connected to an irrigation channels system that is a unique in the region. This system provides the option to develop irrigated farming in the area at a future date. Applying irrigated farming could potentially nearly double longer term average production yields achieved for each hectare under production.

In addition to the three characteristics described above, which all provide the basis for very high profitability, the farm to be acquired also owns farm-based grain storage warehouses with a total storage capacity of 20,000 tonnes of grains. Having the security of storage is vital for successful farming operations in Russia, as there is a general lack of storage capacity in the country and local farmers without their own storage are often forced to sell their produce into a cyclically weak pricing environment during harvesting seasons.

The transaction will be carried out as an acquisition of 100% of shares of the operating entity that holds a free-hold ownership title to 30,000ha. As means of payment the parties have agreed that Trigon Agri will pay for the acquisition with two components: 18,500ha of land in free-hold ownership in its Samara cluster and EUR 16 million in cash or in new shares of Trigon Agri. The acquisition is subject to the satisfactory outcome of due diligence and the approval of the transaction by the Board of Directors of A/S Trigon Agri. The targeted closing of the transaction is in Q3 2012.

Ülo Adamson, President and CEO of Trigon Agri, comments on the deal: "This is a very exciting step in our development in Russia. The planned Rostov transaction allows us to substantially upgrade the quality of our land-portfolio in Russia and makes it very likely that in medium term the profitability of our Russian cereals production operations could potentially even out-perform our operations in Ukraine, where our land portfolio does not allow for similar cost efficiency in logistics."

Following the closing of the Rostov transaction, as well as the previously announced Väätsa dairy farm acquisition, Trigon Agri's total land bank would increase to 195,000ha, including 128,000ha in free-hold ownership in Russia, 4,200ha in free-hold ownership and under usufruct agreements in Estonia and the remainder operated under long-term rental agreements.

Further information on the progress of both transactions will be provided in due course in the form of stock exchange releases.

Investor enquiries:

Mr. Ülo Adamson, President and CEO of Trigon Agri A/S

Tel: +372 66 79200

E-mail: mail@trigonagri.com

About Trigon Agri

Trigon Agri is a leading integrated soft commodities production, storage and trading company with operations in Ukraine, Russia and Estonia. Trigon Agri's shares are traded on the main market of NASDAQ OMX Stockholm. Trigon Agri is managed under a management agreement by Trigon Capital, a leading Central and Eastern European operational management firm with around USD 1 billion of assets under management.

For subscription to Company Announcements please contact us: mail@trigonagri.com.

If you do not want to receive Trigon Agri press releases automatically in the future please send an e-mail to the following address:

unsubscribe@trigonagri.com.