Trigon Agri A/S
Corrective/supplementary information
to the Annual Report 2011

Management's statement

On 10 December 2012, the Danish Securities Council issued a ruling where they disagreed with the accounting treatment for investment property in the Annual Report of Trigon Agri A/S for the financial year 1 January - 31 December 2011, and in this connection ordered Trigon Agri to publish corrective/supplementary information to the Annual Report for the financial year 1 January - 31 December 2011.

While not agreeing with the Danish Securities Council assessment, in order to address the ruling of the Danish Securities Council, the Board of Directors and Executive Board have today considered and adopted the corrective/supplementary information to the Annual Report for the financial year 1 January - 31 December 2011, which in our opinion is consistent with the Danish Securities Council orders.

Copenhagen, January 8, 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	

Ruling of the Danish Securities Council

The Ruling

In the assessment of the Danish Securities Council, in the Annual report of Trigon Agri A/S for the financial year 1 January - 31 December 2011 Trigon Agri has incorrectly used the exemption provided in IAS 40.53, for the measurement of the investment property (land under development) at the date of its reclassification. In particular, in the view of the Danish Securities Council:

1a) The Company cannot consider the land in the Samara region an investment property under construction. The Company must therefore state the fair value of the land at the time when the land is transferred from owner-occupied property to investment property. Any difference between the previous carrying amount and the fair value must be recognised in other comprehensive income in accordance with IAS 40, paragraph 61 and IAS 16, paragraph 39.

1b) If the Company cannot state the fair value reliably at the time of the transfer, the investment property must be measured at cost until it is sold, see IAS 40, paragraph 53.

1c) If the Company has paid expenses directly related to bringing the investment property in the condition required to ensure the use as investment property, these expenses must be recognised in the cost of the investment property, see IAS 16, paragraph 16 (b) and IAS 40, paragraph 53.

1d) If the Company measures the investment property at fair value, it must state the methods and material assumptions used to determine fair value, including whether fair value is based on market indicators or to a higher degree on other factors, see IAS 40, paragraph 75 (d).

Background and consequences

In July 2011, the Group decided to discontinue its cereals farming operations in Samara region (Russia) and to hold the assets of this cluster for rent and/or potential disposal in the future. As a result, the land in Samara region was reclassified from the owner occupied property to investment property.

At the date of its reclassification to investment property the property was not ready for its intended use because of incomplete legal structure and operational status of the land which made it impracticable to lease or dispose of it. Based on the exemption provided in IAS 40.53 and IAS 40.65 (that allow to account for an investment property under construction or development at cost), the investment property was recognised at the date of its reclassification (July 2011) at cost. During the second half of 2011 the legal structure of the land ownership was completed and the operational status changed, making the land ready for its new intended use as an investment property. As of 31 December 2011 the land was revalued to its fair value based on external valuation.

In the view of the Danish Securities Council, the exemption provided in IAS 40.53 does not apply to land under development and therefore, at the date of the reclassification, the land should have been measured at fair value, if reliably determinable, or at cost until sold, if the fair value is not reliably determinable.

While Trigon Agri A/S still believes that it appropriately used the exemption provided in IAS 40.53, in order to address the ruling of the Danish Security Council, it has obtained external valuation in respect of Samara land as at the date of its reclassification (July 2011). The external valuation confirms that the fair value of the investment property at the date of its reclassification was not significantly different from its cost and therefore measuring the investment property at fair value at the date of its reclassification did not have any impact on the financial position and profit or loss of the Group.

However, corrective/supplementary information has been added to Note 10 “Investment property”.

Independent Auditor's Report

To the Shareholders of Trigon Agri A/S

We have audited the Corrective/supplementary information to the Consolidated Financial Statements of Trigon Agri A/S for the financial year 1 January - 31 December 2011. The Corrective/supplementary information to the Consolidated Financial Statements for the financial year 1 January - 31 December 2011 is prepared in accordance with the requirements under the ruling of 10 December 2012 of the Danish Securities Council as described on page 3.

The Corrective/supplementary information to the Consolidated Financial Statements for the financial year 1 January - 31 December 2011 is prepared to comply with the requirements under the ruling of 10 December 2012 of the Danish Securities Council.

Management's Responsibility for the Corrective/Supplementary Information to the Consolidated Financial Statements for the financial year 1 January - 31 December 2011

Management is responsible for the preparation of the Corrective/supplementary information to the Consolidated Financial Statements for the financial year 1 January - 31 December 2011 in accordance with the requirements under the ruling of 10 December 2012 of the Danish Securities Council. Management is moreover responsible for the internal control considered necessary by Management for the purpose of preparing corrective/ supplementary information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Corrective/supplementary information to the Consolidated Financial Statements of Trigon Agri A/S for the financial year 1 January - 31 December 2011 based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Corrective/supplementary information to the Consolidated Financial Statements for the financial year 1 January - 31 December 2011 is free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Corrective/supplementary information to the Consolidated Financial Statements for the financial year 1 January - 31 December 2011. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Corrective/ supplementary information to the Consolidated Financial Statements for the financial year 1 January - 31 December 2011, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of corrective/ supplementary information in accordance with the requirements under the ruling of 10 December 2012 of the Danish Securities Council 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 Corrective/supplementary information to the Consolidated Financial Statements for the financial year 1 January - 31 December 2011.

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 Corrective/supplementary information to the Consolidated Financial Statements of Trigon Agri A/S for the financial year 1 January - 31 December 2011 is prepared in accordance with the requirements under the ruling of 10 December 2012 of the Danish Securities Council as described on page 3.

Emphasis of Matter

Without qualifying our auditor's report, we draw attention to note 10 "Investment Property", in which Management describes the principles and additional uncertainties in the determination of fair value of the Land classified as Investment Property at the time of reclassification.

Other Matter Concerning the Understanding of the Audit
The Corrective/supplementary information to the Consolidated Financial Statements for the financial year 1 January - 31 December 2011 is prepared in order to comply with the requirements under the ruling of 10 December 2012 of the Danish Securities Council. We have audited the Consolidated Financial Statements of Trigon Agri A/S for the financial year 1 January - 31 December 2011 and have issued our Auditor's Report dated 29 March 2012. Except for our audit procedures aimed at the specific matters described on page 3, our audit did not include any other procedures concerning the Consolidated Financial Statements for the financial year 1 January - 31 December 2011.

Copenhagen, January 8, 2013
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Niels Jørgen Lodahl
State Authorised Public Accountant

Tue Stensgaard Sørensen
State Authorised Public Accountant

Notes to the consolidated financial statements

10. Investment property

Corrected text

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 in July 1, 2011. Such reclassification was made because the Group has decided to discontinue its cereals farming operations in Samara region and intents to keep the assets of this cluster for rent and/or potential disposal in the future.

The Group has 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 has obtained a valuation from an external reputable valuation firm that has 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 as because of 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 "kolhozes" (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 incomplete legal structure compared to the land plots with 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 31 December 2011 was EUR 18,100

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thousand and a gain from revaluation in the amount of EUR 4,386 thousand is recorded under Other income (please also refer to Note 19 in the published annual report).

Original text

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 during 2011. Such reclassification was made because the Group has decided to discontinue its cereals farming operations in Samara region and intents to keep the assets of this cluster for rent and/or potential disposal in the future.

At the date of its reclassification to investment property the property was not ready for its intended use as because of unclear legal structure and risks and uncertainties attached to the land it had been very difficult, if not impracticable to lease it or dispose it. Accordingly, the management was unable to assess the fair value of the land as at the date of its reclassification but in management's assessment it was unlikely to differ significantly from its cost.

During Q4 and Q3 the Group made 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 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. For estimating the market value of the investment property Sales Comparison Approach Method of the valuation was used. In calculations the following circumstances were taken into account: field preparation works and completion of asset clearance and restructuring program carried out by the Group.

The gain from revaluation of investment property is recorded under Other income in amount of EUR 4,386 (please also refer to Note 19 (in the published annual report)).