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Trigon Agri A/S announces that it has completed the divestment of its Rostov cluster. As reported in the past the Company took the decision to divest this non-core asset as a means of reducing the Company's overall financial leverage and for the reason that it considers climatically the region to be of high risk, being prone to drought and as a consequence carries volatile and unpredictable crop yields.

The sale of the Rostov cluster has generated proceeds in total of EUR 13.3 million, this comprising of the land, buildings, machinery, and work in progress costs until April 1st 2016. The preliminary estimated effect from the transaction on the 2016 income statement is a one-off loss of EUR 3.3 million, which was accounted for in the Q1 2016 report.

The cluster carried borrowings from Rietumu Bank of EUR 7.9 million and this plus the outstanding interest for May 2016, has been repaid in full. Going forward the company will no longer carry an annual interest cost of EUR 0.8 million which was associated with the Rietumu bank loan. After transactional fees and deductions in relation to financial leases, a balance of EUR 5.0 million will be transferred to the Deposit Account pledged to the bondholders. Subsequently the funds shall be distributed to the bondholders, unless the distribution obligation will be partially or entirely waived by the bondholders committee.

"Although the price achieved was not in line with earlier predictions, one must be realistic and recognise that not only has there been a devaluation of the Rouble, but that the very low world wheat price today, is being reflected in the regions' land price, where there is now a surplus of land on the market. But after protracted negotiations, we are pleased to have realised what can be considered a realistic and acceptable price given the present days land market in the Rostov region", says Johannes Bertorp, Chairman of the Board of Directors.

"Going forward the company's intention is to concentrate on both the development of the Ukrainian Agribusiness and the St Petersburg dairy business. These businesses are showing good returns and have stable and effective management teams in place. The focus will be to aim to achieve that all commodities are produced at the lowest possible cost per tonne, this through a combination of yield and robust cost control ", states Simon Boughton CEO.