



AS EKSPRESS GRUPP
CONSOLIDATED INTERIM REPORT
FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF
2008

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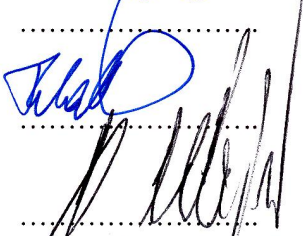
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GENERAL INFORMATION

Beginning of the financial year	1 January 2008
Ending of the financial year	30 September 2008
Name of the Company	AS Ekspress Grupp
Registration number	10004677
Address	Narva mnt.11 E, 10151 Tallinn
Phone no	+372 669 8181
Fax no	+372 669 8081
Main field of activity	Publishing and related services
CEO	Priit Leito
Auditor	AS PricewaterhouseCoopers

Management Board's confirmation on the interim management report

The management board confirms that the management report of AS Ekspress Grupp presented on pages 5 to 14 presents a true and fair view of the business developments and results, of the financial position, and includes the description of major risks and doubts for the Parent company and consolidated companies as a group.

Priit Leito	Chairman of the Management Board		6 November 2008
Anne Kallas	Member of the Management Board		6 November 2008
Kaido Ulejev	Member of the Management Board		6 November 2008

INTERIM MANAGEMENT REPORT

In the first 9 months of 2008, the sales revenue of Ekspress Group grew by 23% and EBITDA grew by 25%. In the 3rd quarter of 2008, the sales revenue grew by 15% and EBITDA grew by 22% as compared to the same period last year. The modest sales growth in the 3rd quarter is related to the decline of advertising revenue as a result of an economic cool-down. The growth of EBITDA was achieved through more effective cost management and higher EBITDA margin of new companies added to Ekspress Group in 2007.

Key figures characterising the activities of Ekspress Group in the third quarter of 2008

- Sales revenue EEK 295.0 million (EUR 18.9 million), year-over-year growth 15%
- Gross profit EEK 71.3 million (EUR 4.6 million), year-over-year growth 1.4%
- EBITDA EEK 42.4 million (EUR 2.7 million), year-over-year growth 22%
- EBIT EEK 25.8 million (EUR 1.6 million), year-over-year change 0%
- Net profit EEK 12.0 million (0.8 million), year-over-year change -38%

Key events of the third quarter of 2008

- launching of the entertainment portal www.mango.lv in Latvia
- launching of the entertainment portal www.publik.ee
- launching of the environment of science and technology news www.forte.ee
- opening of the bookstore in the recreation centre Tasku in Tartu under the brand "Rahva Raamat"

Overview of the advertising market

Besides a seasonally weak quarter, the decline of the advertising market in the third quarter was larger than expected and this primarily in the area of printed ads. According to the survey conducted by TNS Emor, Internet advertising revenue increased by 31% in the first nine months of 2008. The advertising revenue of magazines declined by 1% as compared to last year's level. The decline of the advertising revenue of newspapers which is mostly impacted by shrinkage of employment ads, real estate and automobile ads was larger, 8%. The decline of the advertising volume and the impact of the decline of advertising prices due to the recession of the economy was most noticeable in the third quarter when the advertising revenue of magazines decreased by 5% and that of newspapers decreased by 21% as compared to the same period last year. In light of the panic following the crash of the financial markets in the third quarter and the overall economic depression, it may be considered as a decent result.

Overview of the segments

In the third quarter of 2008, Ekspress Group continued to focus on its five principal segments: online media, publishing, printing services, book sales and information services. From 2008, the online media segment also includes web publications of AS Eesti Päevaleht, SL Õhtuleht AS and Eesti Ekspress Kirjastus AS as well as automobile, real estate and employment web environments of Eesti Ekspress Kirjastus AS which were previously included in the publishing segment. All web environments to be set up in the future are also included in the online media segment.

In the third quarter of 2008, the largest revenue growth in absolute terms as compared to the same period of 2007 was attained in the online media segment attributable to the addition of Delfi Group to the Group in September last year. The publishing of newspapers and magazines, partially related to the addition of AS Maaleht in the Group in October 2007 as well as the segment of printing services where sales growth was attained through an increase of operating capacities related to the launching of a new printing press in October 2007 significantly contributed to the sales growth of the third quarter.

As of the balance sheet date, AS Delfi together with its Latvian, Lithuanian and Ukraine subsidiaries manages the Estonian and Russian-language portals in Estonia, <http://www.delfi.ee> and rus.delfi.ee, the Latvian and Russian-language portals in Latvia <http://www.delfi.lv> and rus.delfi.lv, the Lithuanian and

Russian-language portals in Lithuania (<http://www.delfi.lt>, <http://www.klubas.lt>, <http://ru.delfi.lt>) as well as the news portal in the Ukraine (<http://www.delfi.ua>).

Delfi continues to be the leading news portal in the Baltic States, the users of which grew in all markets as compared to the same period of 2007. A total of 2.5 million people in the Baltic States and the Ukraine use Delfi portals. According to the data by TNS Metrix, in Estonia Delfi continued to be the largest news portal in the third quarter with 484 000 unique users a month, growing its user base by 36 000 unique users as compared to the same period last year. According to the data by Gemius Audience, Delfi has 880 000 unique visitors a month in Lithuania and thereby continues the largest news portal there. According to the data by Gemius Audience, Delfi is also the largest news portal in Latvia with 580 000 unique users a month.

In Estonia, AS Ekspress Kirjastus manages the automobile portal www.ekspressauto.ee, the real estate portal www.ekspresskinnisvara.ee and the employment portal www.ekspressjob.ee. Of these three portals, [ekspresskinnisvara.ee](http://www.ekspresskinnisvara.ee) experienced the fastest growth in the third quarter, almost doubling its user base as compared to the second quarter and reached over 50 000 unique visitors a week, thereby placing second among real estate portals. The automobile portal [ekspressauto.ee](http://www.ekspressauto.ee) continued to secure its second place in the market, reaching an average of 26 000 unique visitors a week. The employment portal [ekspressjob.ee](http://www.ekspressjob.ee) launched in the second quarter had an average of 14 000 unique visitors in the third quarter.

In June, 219 526 unique visitors visited the entertainment portal www.klubas.lt launched in Lithuania in the first quarter. In the third quarter, www.klubas.lt continued to increase its visitor base, rising from the 20th place among the most visited Lithuanian Internet environments in the second quarter to the 17th place. The number of unique visitors of www.klubas.lt reached 285 000 visitors a month. The new web version of the largest monthly magazine "Panele" targeted at women, www.panele.lt which was launched in Lithuania in the second quarter rose to the 19th place among Internet environments in the third quarter. In July, Delfi launched a new entertainment portal www.mango.lv in Latvia in order to satisfy the increasing interest of Internet users in the field of entertainment. The entertainment portal Publik.ee launched in Estonia in August became fast the leading portal in its field, having an average of 205 000 unique visitors a week. In September, Delfi launched the environment of science and technology news in Estonia, Forte.ee which as of the end of the third quarter had 50 000 unique visitors a week.

The goal of the Group's management is to strengthen the Group's market leadership position in the Internet markets of all Baltic States.

The year-over-year sales growth of Delfi Group in the third quarter of 2008 was 15%. At the same time, EBITDA in the third quarter made up 88% of the level of the same period in 2007. The decline of EBITDA in the third quarter is related to the expenses of launching Delfi Ukraina which totalled EEK 1.7 million (EUR 0.1 million) in the third quarter as well as two additional large development projects: [klubas.lt](http://www.klubas.lt) in Lithuania totalling EEK 1.1 million (EUR 70 thousand) and [mango.lv](http://www.mango.lv) in Latvia totalling EEK 0.4 million (EUR 25 thousand). Third quarter's expenses were also impacted by the termination fees paid to employees. Excluding the costs related to the aforementioned three development projects, EBITDA grew by 46% in the third quarter as compared to the same period of 2007. The sales growth of Delfi Group in the first 9 months of 2008 was 24% as compared to the first 9 months of 2007 and EBITDA made up 96% of the level in the first 9 months of 2007. Excluding the costs related to the aforementioned three development projects, EBITDA growth in the first 9 months was 11%.

As advertising revenue is extremely sensitive to the economic environment, the cool-down of the economy has led to a decline of advertising revenue in the publishing segment. Due to the increase of advertising prices at the end of 2007 and beginning of 2008, the decline of advertising revenue was less pronounced. While advertising revenue from newspapers and magazines decreased by 11 and 5%, respectively, in the third quarter, the advertising revenue from the publishing segment of the Group declined by only 4.6%. Although the advertising revenue of publications decreased, the advertising revenue of their online environments increased. The growth of subscription of periodicals and single copy sales was 24% and 2%, respectively, in the third quarter as compared to the same period of 2007. The cool-down of the economy impacted single copy sales of periodicals in the third quarter which without the impact of Maaleht decreased by 6% in the third quarter as compared to the third quarter of 2007. At the same time, subscriptions for

almost all periodicals have increased. In the third quarter, growth without the impact of Maaleht totalled 4% in the publishing segment as compared to the same period of 2007. The stalling of the growth of advertising revenue has an important impact on the profit of the publishing segment, because the gross margin of advertising revenue is significantly higher than that of subscriptions and single copy sales. EBITDA margin fell from 10% in the third quarter of 2007 to 8.6% in the same period of 2008.

In the segment of printing services, the sales growth of the printing company was a decent 7% in the third quarter of 2008 as compared to the same period of 2007. Export turnover increased by 27% in the third quarter as a result of taking a new printing machine in use.

Modernisation of the magazine production unit was commenced in the second half of 2007, the first stage of which comprised the launching of the magazine printing machine Rotoman and the new gluing line Kolbus in February 2008. The launching of the stitching line and the assembling and packing line for magazines planned for the third quarter has been postponed. The company plans to apply for a technology grant through Enterprise Estonia in order to make this investment.

In September, the company signed a letter of intent with a buyer to sell the 6859 m² unimproved land plot in its possession. According to the valuation report and the letter of intent, the land plot is valued at the market value of the investment property as of 30 September 2008. EBITDA growth of the printing company in the third quarter was 34% excluding the gain from the recognition of the investment property in the amount of EEK 7.8 million (EUR 0.5 million).

With regard to book sales, 12% sales growth was attained in the third quarter. The growth of the retail sales of books was also 12%, achieved through the addition of new stores in the second half of 2007 as well as the opening of the new 554 m² bookstore in the recreation centre Tasku in Tartu. The new store exceeded all expectations with regard to sales revenue in the first month after its opening and it has already become a preferred book store of the residents of Tartu. Retail sales growth also demonstrates that the economic cool-down has not had a major negative impact on the retail sales of books. Retail sales are expected to grow further in the fourth quarter due to the new bookstore opened in Rocca al Mare shopping centre on 1 October. The opening of a new bookstore in Pärnu planned for the second half of 2008 has been postponed until 2009 due to a delay by the developer.

In the third quarter of 2008, the sales revenue of information services was somewhat higher than in the same period of 2007, 4% growth. EBITDA in the third quarter of 2008 made up 83% of the 2007 level. However, EBITDA in the first 9 months of 2008 made up only 49% of the level in the same period of 2007. An end has been put to the decline of EBITDA as a result of freezing the Bucharest located subsidiary's fixed costs such as agents' salaries, office expenses, etc. in May until the grant of the service's short number. As the bids for short numbers have been postponed until further notice and the keeping of the long number in the current economic environment is ineffective, the Group's management has decided to exit the business of information services in Romania at the year-end 2008.

Profit

Given the seasonal nature of the advertising business, the addition of AS Maaleht and Delfi Group has significantly increased the share of advertising revenue in the Group's sales revenue, therefore the impact of the seasonal nature on the Group's sales revenue and profit is larger than ever. The economic cool-down which deepened in the third quarter had an impact on the Group's revenue and profit, manifesting itself in a decline of advertising revenue of newspapers and magazines as well as the related decline in profit.

As compared to the 15% sales growth, direct costs increased by 17% in the third quarter as a result of which the gross margin declined from 26% to 24% in the third quarter of 2008. Besides appreciation of printing and distribution services, depreciation included in direct expenses has also increased.

EBITDA totalled EEK 42.4 million (EUR 2.7 million) in the third quarter of 2008, exceeding the result of the same period in 2007 by 22%. In the third quarter, EBIT reached EEK 25.8 million (EUR 1.6 million), staying at the same level as in 2007. In the third quarter, the operating margin was 8.7% (3rd quarter of 2007: 10.0%). The slowdown of EBIT is due to higher depreciation related to the intangible assets added in the acquisition of Delfi and Maaleht and other investments made into fixed assets in 2007.

The marketing expenses of the Group have increased due to the addition of new companies (AS Maaleht, Delfi Group, TeleTell) in the Group in the second half of 2007 as well as the launching of new products and marketing campaigns such as the launching of automobile, real estate and employment web environments and new book project of Eesti Päevaleht. Year-over-year growth as compared to the first 9 months of 2007 is 18% and as compared to the third quarter of 2007, 1%, attained through cutting optimistic marketing budgets.

Administrative expenses increased by 36% in the third quarter and 43% in the first 9 months as compared to the same period last year. The growth is 4% in the third quarter and 4.5% in the first 9 months without the impact of new companies added to the Group in 2007. Wages and salaries included in administrative expenses decreased by 7% in the first 9 months and by 13% in the third quarter as compared to the same period of 2007. As compared to the second quarter of 2008, administrative expenses decreased by 5% in the third quarter, including payroll expense by 13%. The decline of general expenses has been attained through implementation of cost-cutting measures described below. The decline of wages and salaries has been attained through freezing of wage increases and laying off of employees.

Other operating income includes a gain of EEK 7.8 million (EUR 0.5 million) due to recognising the 6859 m² unimproved land plot in Printall's possession as investment property at market value as of 30 September 2008 according to the letter of intent signed with the buyer of the land plot.

The Group's financial expenses reached EEK 14.4 million (EUR 0.9 million) in the third quarter of 2008. Financial expenses were mostly made up of interest expenses in the amount of EEK 13.9 million (EUR 0.89 million) (3rd quarter of 2007: EEK 5.5 million (EUR 0.35 million)). Higher interest expenses are related to the loan in the amount of EEK 674.4 million (EUR 43.1 million) taken from the syndicate of SEB, Sampo Bank and Nordea Bank for the acquisition of Delfi and Maaleht in the third quarter of 2007. As of 30 September, the outstanding loan balance is EEK 587.3 million (EUR 37.5 million).

The net profit (after taxes and minority interest) of Ekspress Group totalled EEK 12.0 million (EUR 0.8 million) in the third quarter. The net profit decreased by 38% as compared to the same period of 2007. In addition to the events impacting EBIT, the slowdown of net profit growth was also related to the increase of interest expenses in connection with the syndicate loan.

Under the conditions of deepening economic recession, we have continued with the cost cutting programme introduced in the first quarter. The main components of the programme include savings of paper and printing costs, savings of IT development costs and savings of payroll expenses. Of the measures related to cost savings of paper and printing costs, a decrease of newspaper pages, combining of inserts with the principal part of publication, etc. are worth mentioning. These measures manifest themselves in the savings of paper and printing costs. The savings of development costs are attained through replacement of outsourcing services with the implementation of Internet developments with own resources. Of general expenses, training, representation, parking, etc. other costs have been curbed in addition to the cost saving measures announced earlier. The biggest cost saving source is payroll expenses. Savings are achieved through postponement of wage increases, new employees are not hired to replace those who have left the company or they are recruited internally. Lay-offs of employees are also carried out. As of the date of preparing the interim report, a decision has been made to lay off 36 employees. Lay-offs relate mostly to Ajakirjade Kirjastus, Ekspress Kirjastus, Eesti Päevaleht and Delfi. Due to the lay-off of employees in the third quarter, termination benefits are included in the payroll expenses of the third quarter. The effect of saving these payroll expenses will be achieved in the fourth quarter and hereinafter. More lay-offs are planned in the fourth quarter, related to a decline of advertising revenue as well as combining of support functions necessary for increasing business effectiveness.

Balance sheet and investments

As of 30 September 2008, the consolidated balance sheet total of Ekspress Group was EEK 1 703.7 million (EUR 108.9 million), increasing by 0.7% year-over-year. The assets and liabilities included in the balance sheet have increased as a result of the expansion of the Group and investments made to acquire fixed assets.

As of 30 September 2008, current assets decreased by 4% year-over-year, reaching EEK 267.0 million (EUR 17.1 million). As of 30 September 2007, current assets totalled EEK 277.7 million (EUR 17.7 million). Current liabilities increased by 56.5% year-over-year, reaching EEK 425.7 million (EUR 27.2 million) at the end of September. Of current liabilities, borrowings increased the most, reaching EEK 179.4 million (EUR 11.5 million) at the end of September.

As of the end of September, the Group's long-term borrowings totalled EEK 663.1 million (EUR 42.4 million), decreasing by 24% year-over-year. Of the long-term borrowings, bank loans constitute EEK 547.1 million (EUR 35.0 million) and the finance lease liability is EEK 113.0 million (EUR 7.2 million). Of the long-term borrowings, the non-current portion of the loan taken by Ekspress Group from the syndicate of SEB, Sampo Bank and Nordea Bank in the amount of EEK 674.4 (EUR 43.1 million) in the third quarter of 2007 totals 497.1 million (EUR 31.8 million). The total outstanding balance of the abovestated loan as of 30 September 2008 was EEK 587.3 million (EUR 37.5 million).

Property, plant and equipment stood at EEK 392.0 million (EUR 25.1 million) as of the end of September, increasing by 4% year-over-year. As of the end of September, intangible assets stood at EEK 1 016.9 million (EUR 65.0 million), staying at the same level as last year. Of intangible assets, EEK 824.8 million (EUR 52.7 million) is related to the carrying value of trademarks, customer relations and software as well as goodwill which arose in the acquisition of Delfi Group. Investment property has increased due to the recognition of 6859 m2 unimproved land plot of Printall as the investment property at the market value of EEK 10.0 million (EUR 0.6 million) as of 30 September 2008.

Employees

As of the end of September the Ekspress Group employed 2 361 people (As of 30 September 2007: 2 344 people). The average number of employees in the first nine months of 2008 was 2 374 (9 months of 2007: 2 311). Over the first nine months of 2008, wages and salaries paid to the employees of the Ekspress Group totalled EEK 230.7 million (EUR 14.7 million), (9 months of 2007: EEK 162.5 million (EUR 10.4 million))*.

*proportional part from joint ventures

Shares and shareholders of the Ekspress Group

The share capital of the public limited company is EEK 189 710 81 which consists of the shares with the nominal value of EEK 10 (EUR 0.63) . All shares are of one type and there are no ownership restrictions.

The articles of association of the public limited company set no restrictions on the transfer of the shares of the public limited company.

The agreements entered into between the public limited company and the shareholders set no restrictions on the transfer of shares. In the agreements between the shareholders, they are only known to the extent that is related to pledged securities and is public information.

The following persons have significant holdings in AS Ekspress Group as of 30 September 2008:

- Hans Luik who controls 12 742 289 shares which makes up 67.17% of the share capital of the public limited company
- Skandinaviska Enskilda Banken whose customers hold 1 320 522 shares which makes up 6.96% of the share capital of the public limited company.

The information given in the table is calculated on the basis of shareholdings as at the date of 30.09.2008

Name	Number of shares	%
INC Luxembourg S.A	1 441 134	7,60%
Members of Management and Supervisory Boards and their immediate family members		
Hans Luik	10 766 800	56,75%
Hans Luik, OÜ HHL Rühm	2 039 996	10,75%
Hans Luik , OÜ Minigert	6 900	0,04%
Hans Luik, Selle Luik	76	0,00%
Priit Leito	52 257	0,28%
Viktor Mahhov, OÜ Integer Management Services	33 910	0,18%
Härmo Värk, Holderstone OÜ	10 000	0,05%
Kaido Ulejev	8 471	0,00%
Other minority shareholders	4 611 537	24,35%
Total	18 971 081	100%

DCF FUND (II) Baltic States, the shareholder of AS Ekspress Grupp notified AS Ekspress Grupp on 2 July 2008 of the acquisition of 1 279 937 shares of AS Ekspress Grupp, which constitutes 6.75% of the share capital of AS Ekspress Grupp. With the abovestated holding DCF FUND (II) Baltic States is the person with qualifying holding in the share capital of AS Ekspress Grupp. As of 30 September 2008 DCF FUND (II) Baltic States has increased its holding in the share capital of AS Ekspress Grupp to 7.60 %. The shares are registered in the share register of the public limited company under the INC Luxembourg S.A..

The public limited company does not have any shares granting specific rights of control.

The public limited company does not possess information on agreements with regard to restrictions on the voting rights of shareholders.

Trading statistics in the Tallinn Stock Exchange from 01 January 2008 to 30 September 2008



Security trading history

PRICE	2008	
	EEK	EUR
Open	72.13	4.61
High	72.44	4.63
Low	23.47	1.50
Traded volume	3 274 505	3 274 505
Turnover, million	130.45	8.34
Capitalisation, million	474.93	30.35

Election and authority of the governing bodies of the Ekspress Group

The election of the members of the Management Board is in the competence of the Supervisory Board of the public limited company. Simple majority voting at the Supervisory Board is required in order to elect and recall the members of the Management Board. Upon resignation, a member of the Management Board shall notify the Supervisory Board of the public limited company one month in advance.

The authority of the Management Board of the public limited company is specified in the Commercial Code and it is limited to the extent provided for in the articles of association. The Management Board of the public limited company has no right to issue shares.

Amendment of the articles of association is the exclusive competence of the shareholders, requiring 2/3 of votes present at the general meeting.

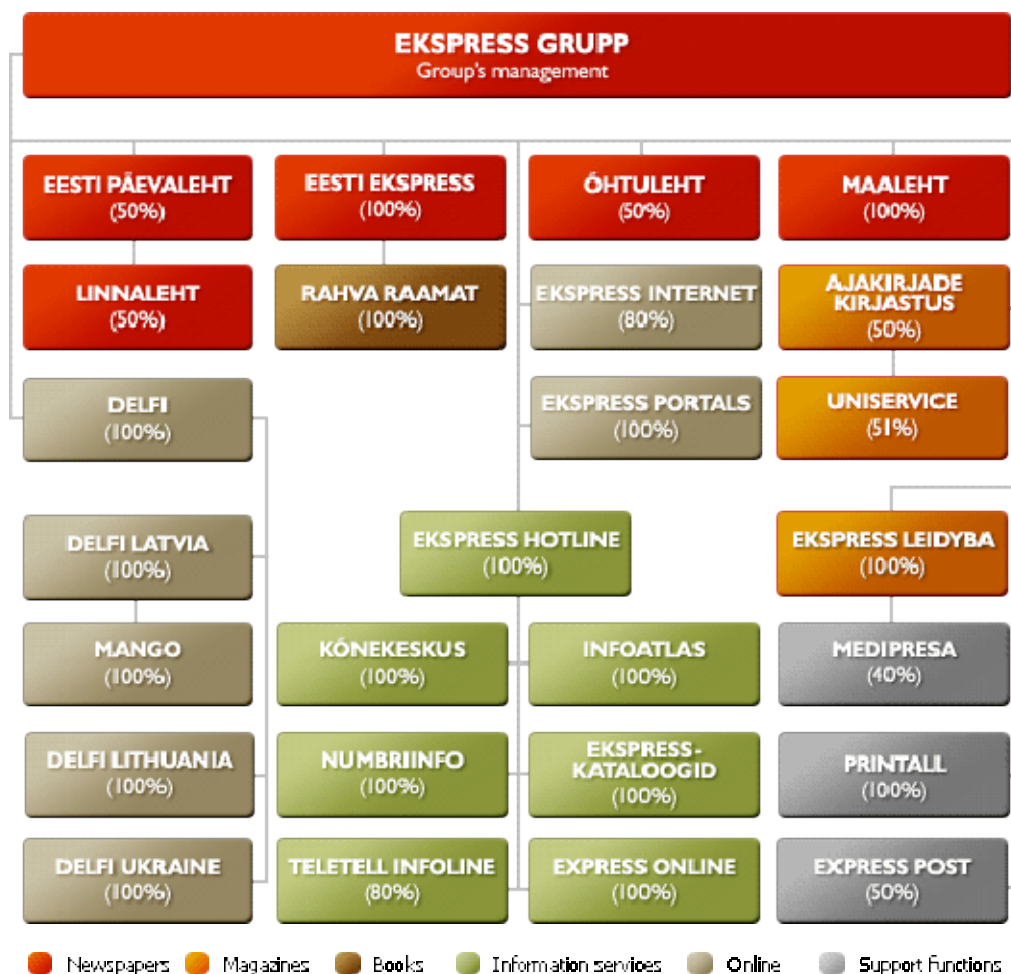
There are no agreements between the public limited company and the members of the Management Board referring to compensation related to a takeover of the public limited company as set out in Chapter 19 of the Securities Market Act.

Pursuant to Chapter 19 of the Securities Market Act, in case of a takeover of the public limited company, the current co-shareholder in the entities AS SL Õhtuleht, AS Ajakirjade Kirjastus and AS Express Post has the right to acquire the holding of the public limited company in the aforementioned entities at a fair price.

Ekspress Group Structure

On 20 June 2008 AS Ekspress Grupp purchased 782 shares of UAB Ekspres Leidyba owned by the minority shareholders. As a result of the transaction, AS Ekspress Grupp is the sole shareholder of UAB Ekspres Leidyba.

A share purchase agreement regarding the shares of OÜ Netikuulutused has been concluded on 31 March 2008 between Eesti Päevalehe AS and Eesti Ekspress Kirjastus AS belonging to Ekspress Group. According to the agreement Eesti Ekspress Kirjastus AS sold 50 % of the shares of OÜ Netikuulutused to Eesti Päevalehe AS. As a result of the transaction, Eesti Päevalehe AS is the sole shareholder of OÜ Netikuulutused. On 1 July 2008 Eesti Päevalehe AS and OÜ Netikuulutused merged. On 28 July 2008 OÜ Netikuulutused was deleted from Commercial Register.



Selected financial indicators

(thousand)	EEK		EUR	
	9 months 2008	9 months 2007	9 months 2008	9 months 2007
Accounting period				
Sales	963 280	784 647	61 565	50 148
Gross profit	248 833	205 915	15 903	13 160
Operating profit	88 163	82 719	5 635	5 287
Net profit for the period	44 131	70 493	2 820	4 505
At the end of the period	<u>30.09.2008</u>	<u>30.09.2007</u>	<u>30.09.2008</u>	<u>30.09.2007</u>
Total non-current assets	266 977	277 675	17 065	17 746
Total fixed assets	1 436 709	1 413 523	91 820	90 340
Total assets	1 703 686	1 691 198	108 885	108 086
Total liabilities	1 088 809	1 142 960	69 588	73 048
Total equity	614 877	548 238	39 297	35 038

Performance indicators (%)		9 months 2008	9 months 2007
Sales growth (%)	$(\text{sales 9 months 2008} - \text{sales 9 months 2007}) / \text{sales 9 months 2007} * 100$	23%	18%
Gross profit margin (%)	$\text{gross profit} / \text{sales} * 100$	26%	26%
Net profit margin (%)	$\text{net profit} / \text{sales} * 100$	5%	9%
Equity ratio (%)	$\text{equity} / (\text{equity} + \text{debt}) * 100$	36%	32%
ROA (%)	$\text{net profit} / \text{assets} * 100$	3%	8%
ROE (%)	$\text{net profit} / \text{equity} * 100$	7%	18%
Operating profit margin (%)	$\text{operating profit} / \text{sales} * 100$	9%	11%
Liquidity ratio	$\text{current assets} / \text{current liabilities}$	0,63	1,02
Debt equity ratio (%)	$\text{interest bearing liabilities} / \text{equity} * 100$	147%	174%
Financial leverage (%)	$\text{interest bearing liabilities-cash and cash equivalents} / \text{interest bearing liabilities} + \text{equity} * 100$	57%	59%
Earnings per share (EEK)	$\text{net profit} / \text{average number of shares}$		
		EEK	EUR
		2,33	3,87
		0,15	0,25

Revenue by Group Companies*

(thousand)	EEK		EUR		Change %
	9 months 2008	9 months 2007	9 months 2008	9 months 2007	
Eesti Ekspressi Kirjastuse AS	99 962	102 984	6 389	6 582	-3%
AS Delfi	110 530	89 418	7 064	5 715	24%
AS Printall	306 940	278 933	19 617	17 827	10%
AS Maaleht	43 174	44 811	2 759	2 864	-4%
UAB Ekspress Leidyba	59 805	49 739	3 822	3 179	20%
Rahva Raamat AS	138 265	123 540	8 837	7 896	12%
OÜ Netikuulutused	1 273	4 438	81	284	-
AS Ekspress Hotline	54 748	50 028	3 499	3 197	9%
Eesti Päevalehe AS**	125 444	126 860	8 017	8 108	-1%
AS SL Õhtuleht**	113 666	117 188	7 265	7 490	-3%
AS Express Post**	59 950	52 296	3 832	3 342	15%
AS Ajakirjade Kirjastus**	163 780	162 644	10 467	10 395	1%
AS Linnaleht	21 997	18 493	1 406	1 182	19%
UAB Medipresa	115 057	94 361	7 353	6 031	22%

*with intergroup transactions

**joint ventures 100%

EBITDA by Group Companies*

(thousand)	EEK		EUR		Change %
	9 months 2008	9 months 2007	9 months 2008	9 months 2007	
Eesti Ekspressi Kirjastuse AS	10 137	20 971	648	1 340	-52%
AS Delfi	29 982	31 339	1 916	2 003	-4%
AS Printall	68 106	51 836	4 353	3 313	31%
AS Maaleht	4 346	5 871	278	375	-26%
UAB Ekspress Leidyba	1 137	154	73	10	-
Rahva Raamat AS	3 796	4 425	243	283	-14%
OÜ Netikuulutused	(13)	1 807	(1)	115	-
AS Ekspress Hotline	4 385	8 988	280	574	-51%
Eesti Päevalehe AS**	5 148	5 626	329	360	-8%
AS SL Õhtuleht**	20 788	25 294	1 329	1 617	-18%
AS Express Post**	3 474	4 008	222	256	-13%
AS Ajakirjade Kirjastus**	6 402	12 036	409	769	-47%
AS Linnaleht	(777)	2 013	(50)	129	-
UAB Medipresa	236	1 219	15	78	-81%

*with intergroup transactions

**joint ventures 100%

CONSOLIDATED INTERIM FINANCIAL INFORMATION

Management Board's confirmation of the Consolidated Interim Report

The Management Board confirms the correctness and completeness of the condensed consolidated interim report of AS Ekspress Group for the third quarter and first nine months of 2008 as presented on pages 16 - 30.

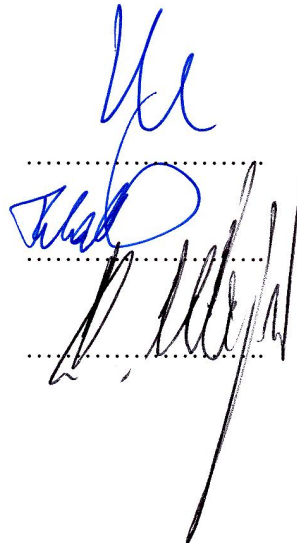
The Management Board confirms that:

1. the accounting policies and presentation of information is in compliance with International Financial Reporting Standards as adopted by the European Union;
2. the financial statements present a true and fair view of the financial position, the results of the operations and the cash flows of the Group;
3. all Group companies are going concerns.

Priit Leito Chairman of the Management Board

Anne Kallas Member of the Management Board

Kaido Ulejev Member of the Management Board



6 November 2008
6 November 2008
6 November 2008

Consolidated interim balance sheet (unaudited)

(thousand)	EEK			EUR		
	30.09.2008	31.12.2007	30.09.2007	30.09.2008	31.12.2007	30.09.2007
ASSETS						
Current assets						
Cash and cash equivalents	21 775	68 970	65 814	1 392	4 408	4 206
Other financial assets at fair value through profit or loss	8 790	4 606	4 556	562	294	291
Trade and other receivables	166 208	165 828	150 008	10 624	10 598	9 587
Inventories	70 204	66 161	57 297	4 487	4 228	3 662
Total current assets	266 977	305 565	277 675	17 065	19 528	17 746
Non-current assets						
Trade and other receivables	13 880	13 671	10 143	884	874	647
Investments in associates	516	964	1 068	33	62	68
Investment property	13 439	3 732	3 830	859	239	245
Property, plant and equipment (note 4)	392 023	404 880	377 359	25 055	25 877	24 118
Intangible assets (note 4)	1 016 851	1 023 419	1 021 123	64 989	65 408	65 262
Total non-current assets	1 436 709	1 446 666	1 413 523	91 820	92 460	90 340
TOTAL ASSETS	1 703 686	1 752 231	1 691 198	108 885	111 988	108 086
SHAREHOLDERS EQUITY AND LIABILITIES						
Liabilities						
Current liabilities						
Borrowings (note 5)	179 406	199 013	73 484	11 466	12 719	4 696
Trade and other payables	246 305	240 703	198 600	15 742	15 384	12 693
Total current liabilities	425 711	439 716	272 084	27 208	28 103	17 389
Non-current liabilities						
Borrowings (note 5)	660 126	741 585	867 966	42 190	47 396	55 473
Other long term liabilities	2 972	88	2 910	190	6	186
Total non-current liabilities	663 098	741 673	870 876	42 380	47 402	55 659
Total liabilities	1 088 809	1 181 389	1 142 960	69 588	75 505	73 048
Equity						
Capital and reserves attributable to equity holders of the Parent company						
Share capital	189 711	189 711	189 711	12 125	12 125	12 125
Share premium	183 495	183 495	183 495	11 727	11 727	11 727
Reserves	10 757	10 222	10 222	687	653	653
Retained earnings	230 093	185 981	164 464	14 706	11 886	10 511
Currency translation reserve	533	480	-218	34	31	-14
Total capital and reserves attributable to equity holders of the Parent company	614 589	569 889	547 674	39 279	36 422	35 002
Minority interest	288	953	564	18	61	36
Total equity	614 877	570 842	548 238	39 297	36 483	35 038
TOTAL EQUITY AND LIABILITIES	1 703 686	1 752 231	1 691 198	108 885	111 988	108 086

The notes presented on pages 20 to 30 form an integral part of the consolidated interim financial information

Consolidated interim income statement (unaudited)

(thousand)	EEK			
	Q III 2008	Q III 2007	9 months 2008	9 months 2007
Sales	295 046	257 639	963 280	784 647
Costs of sales	223 781	191 127	714 447	578 732
Gross profit	71 265	66 512	248 833	205 915
Marketing expenses	13 099	12 982	46 209	39 018
Administrative expenses	39 552	29 197	122 307	85 410
Other income	8 250	1 410	13 835	3 347
Other expenses	1 058	(100)	5 989	2 115
Operating profit	25 806	25 843	88 163	82 719
Interest income	514	2 141	1 765	4 963
Interest expenses	(13 924)	(5 472)	(41 056)	(9 849)
Currency exchange loss	34	(10)	(412)	(61)
Other financial income	256	482	267	1 048
Other financial expenses	(478)	(3 307)	(958)	(3 501)
Financial income/expenses total	(13 598)	(6 166)	(40 394)	(7 400)
Share of profit (loss) of associates	(286)	206	(422)	1 385
Profit before income tax	11 922	19 883	47 347	76 704
Income tax expense	(44)	626	3 216	6 211
PROFIT FOR THE YEAR	11 966	19 257	44 131	70 493
Attributable to:				
Equity holders of the Parent company	11 966	19 137	44 112	70 154
Minority interest	0	120	19	339
Basic and diluted earnings per share for profit attributable to the equity holders of the Company	0,63	1,02	2,33	3,87

(thousand)	EUR			
	Q III 2008	Q III 2007	9 months 2008	9 months 2007
Sales	18 857	16 466	61 565	50 148
Costs of sales	14 302	12 215	45 661	36 988
Gross profit	4 555	4 251	15 904	13 160
Marketing expenses	837	830	2 953	2 494
Administrative expenses	2 528	1 866	7 818	5 459
Other income	527	90	884	214
Other expenses	68	(6)	383	135
Operating profit	1 649	1 651	5 634	5 286
Interest income	33	137	113	317
Interest expenses	(890)	(350)	(2 624)	(629)
Currency exchange loss	2	(1)	(26)	(4)
Other financial income	16	31	17	67
Other financial expenses	(31)	(211)	(61)	(224)
Financial income/expenses total	(870)	(394)	(2 581)	(473)
Share of profit (loss) of associates	(18)	13	(27)	89
Profit before income tax	761	1 270	3 026	4 902
Income tax expense	(3)	40	206	397
PROFIT FOR THE YEAR	764	1 230	2 820	4 505
Attributable to:				
Equity holders of the Parent company	765	1 223	2 820	4 484
Minority interest	0	8	1	22
Basic and diluted earnings per share for profit attributable to the equity holders of the Company	0,04	0,06	0,15	0,25

The notes presented on pages 20 to 30 form an integral part of the consolidated interim financial information

Consolidated interim statement of changes in equity (unaudited)

th EEK	Attributable to equity holders of the parent company						Minority interest	Total equity
	Share capital	Share premium	Reserves	Retained earnings	Currency translation reserve	Total		
Balance at 31.12.2006	165 232	0	5 501	94 310	0	265 043	226	265 269
Profit for the year	0	0	0	70 154	0	70 154	339	70 493
Currency translation difference	0	0	0	0	(218)	(218)	0	(218)
Transaction costs	0	(4 721)	4 721	0	0	0	0	0
Net income (expense) recognized in equity	0	0	0	70 154	(218)	69 936	339	70 275
Share capital increase	24 479	188 216	0	0	0	212 695	0	212 695
Change of minority interest	0	0	0	0	0	0	(1)	(1)
Balance at 30.09.2007	189 711	183 495	10 222	164 464	(218)	547 674	564	548 238
Balance at 31.12.2007	189 711	183 495	10 222	185 981	480	569 889	953	570 842
Profit for the period	0	0	0	44 112	0	44 112	19	44 131
Currency translation difference	0	0	0	0	53	53	0	53
Reserve to the share option	0	0	535	0	0	535	0	535
Net income (expense) recognized in equity	0	0	535	44 112	53	44 700	19	44 719
Change of minority interest	0	0	0	0	0	0	(684)	(684)
Balance at 30.09.2008	189 711	183 495	10 757	230 093	533	614 589	288	614 877

th EUR	Attributable to equity holders of the parent company						Minority interest	Total equity
	Share capital	Share premium	Reserves	Retained earnings	Currency translation reserve	Total		
Balance at 31.12.2006	10 561	0	351	6 027	0	16 939	14	16 953
Profit for the year	0	0	0	4 484	0	4 484	22	4 506
Currency translation difference	0	0	0	0	(14)	(14)	0	(14)
Transaction costs	0	(302)	302	0	0	0	0	0
Net income (expense) recognized in equity	0	0	0	4 484	(14)	4 470	22	4 492
Share capital increase	1 564	12 029	0	0	0	13 593	0	13 593
Change of minority interest	0	0	0	0	0	0	0	0
Balance at 30.09.2007	12 125	11 727	653	10 511	(14)	35 002	36	35 038
Balance at 31.12.2007	12 125	11 727	653	11 886	31	36 422	61	36 483
Profit for the period	0	0	0	2 820	0	2 820	1	2 821
Currency translation difference	0	0	0	0	3	3	0	3
Reserve to the share option	0	0	34	0	0	34	0	34
Net income (expense) recognized in equity	0	0	34	2 820	3	2 857	1	2 858
Change of minority interest	0	0	0	0	0	0	(44)	(44)
Balance at 30.09.2008	12 125	11 727	687	14 706	34	39 279	18	39 297

Consolidated interim cash flow statement (unaudited)

(thousand)	EEK		EUR	
	9 months 2008	9 months 2007	9 months 2008	9 months 2007
Cash flows from operating activities				
Operating profit for the period	88 163	82 719	5 635	5 287
Adjustments for:				
Depreciation, amortization and impairment of property, plant and equipment and intangibles	47 449	25 581	3 033	1 635
Profit (loss) on sale of property, plant and equipment	285	(71)	18	(5)
Changes in working capital:				
Trade and other receivables	(8 515)	(14 831)	(544)	(948)
Inventories	(4 043)	(5 859)	(258)	(374)
Trade and other payables	(29 777)	(9 951)	(1 903)	(636)
Cash generated from operations	93 562	77 588	5 980	4 959
Income tax paid	(3 216)	(5 585)	(206)	(357)
Interest paid	(41 072)	(6 213)	(2 625)	(397)
Net cash generated from operating activities	49 274	65 790	3 149	4 205
Cash flows from investing activities				
Investments in business combinations	(1 930)	(886 782)	(123)	(56 676)
Proceeds from financial assets	1 500	13	96	1
Interest received	1 765	4 963	113	317
Purchase of property, plant and equipment	(27 833)	(39 145)	(1 779)	(2 502)
Proceeds from sale of property, plant and equipment	832	286	53	18
Loans granted	(4 137)	(60 905)	(264)	(3 893)
Loan repayments received	108	70 332	7	4 495
Net cash used in investing activities	(29 695)	(911 238)	(1 898)	(58 239)
Cash flows from financing activities				
Share issue	0	225 939	0	14 440
Finance lease payments made	(25 493)	(16 974)	(1 629)	(1 085)
Change in overdraft used	(37 904)	(16 797)	(2 423)	(1 074)
Proceeds from borrowings	42 393	725 590	2 709	46 374
Repayments of borrowings	(45 770)	(57 597)	(2 925)	(3 681)
Net cash generated from financing activities	(66 774)	860 161	(4 268)	54 974
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(47 195)	14 713	(3 016)	940
Cash and cash equivalents at the beginning of the period	68 970	51 101	4 408	3 266
Cash and cash equivalents at the end of the period	21 775	65 814	1 392	4 206

The notes presented on pages 19 to 28 form an integral part of the consolidated interim financial information

SELECTED NOTES TO THE CONSOLIDATED INTERIM REPORT

Note 1 General information

The main fields of activities of Ekspress Grupp and its subsidiaries include online media, publishing newspapers and magazines, printing services, book sales, and information services in phone directories, information hotlines and online.

AS Ekspress Grupp (registration number 10004677, address: Narva mnt.11E, 10151 Tallinn) is a holding company registered in Estonia. There are 18 subsidiaries, 5 joint ventures and 2 associated companies, belonging to the consolidation group as at 30.09.2008.

The consolidated interim financial information was approved for issue by the Management Board on 6 November 2008.

The presentation currency is the Estonian kroon. The financial statements are presented in Estonian kroons (EEK) and euros (EUR), rounded to the nearest thousand.

These consolidated interim report of AS Ekspress Grupp as of 30 September 2008 for the third quarter and first nine months of 2008 reflect the results of the following group companies:

Name	Status	Shareholding 30.09.2008	Shareholding 31.12.2007	Main field of activities	Location
AS Ekspress Grupp	Parent Company			Holding Company	Estonia
Eesti Ekspressi Kirjastuse AS	Subsidiary	100%	100%	Newspaper publishing	Estonia
Maaleht AS	Subsidiary	100%	100%	Newspaper publishing	Estonia
UAB Ekspress Leidyba	Subsidiary	100%	99,80%	Magazine publishing	Lithuania
Delfi AS	Subsidiary	100%	100%	Online classified ads	Estonia
Delfi AS	Subsidiary	100%	100%	Online classified ads	Latvia
Mango.lv SIA	Subsidiary	100%	0%	Online classified ads	Latvia
SIA Ekspress Portals	Subsidiary	100%	0%	Online classified ads	Latvia
Delfi UAB	Subsidiary	100%	100%	Online classified ads	Lithuania
TOV Delfi.	Subsidiary	100%	0%	Online classified ads	Ukraine
AS Printall	Subsidiary	100%	100%	Printing services	Estonia
Rahva Raamat AS	Subsidiary	100%	100%	Books retail sale	Estonia
AS Ekspress Hotline	Subsidiary	100%	100%	Information services	Estonia
Ekspresskataloogide AS	Subsidiary	100%	100%	Phone directories	Estonia
AS Infoatlas	Subsidiary	100%	100%	Phone directories	Estonia
AS Numbriinfo	Subsidiary	100%	100%	Information hotline	Estonia
Kõnekeskuse AS	Subsidiary	100%	100%	Call centre services	Estonia
Teletell Infoline SRL	Subsidiary	80%	80%	Information services	Romania
Express Online SRL	Subsidiary	100%	100%	Call centre services	Romania
Eesti Päevalehe AS	Joint venture	50%	50%	Newspaper publishing	Estonia
AS SL Õhtuleht	Joint venture	50%	50%	Newspaper publishing	Estonia
AS Express Post	Joint venture	50%	50%	Periodicals' home delivery	Estonia
AS Ajakirjade Kirjastus	Joint venture	50%	50%	Magazine publishing	Estonia
OÜ Netikuulutused	Joint venture	0%	75%	Online classified ads	Estonia
Uniservice OÜ	Joint venture	26%	26%	Magazine publishing	Estonia
AS Linnaleht	Associate	25%	25%	Newspaper publishing	Estonia
UAB Medipresa	Associate	40%	40%	Periodicals' wholesale distribution	Lithuania
Dormant companies					
OÜ Ekspress Internet	Subsidiary	80%	80%	Online classified ads	Estonia

Note 2 Basis of preparation

This condensed consolidated interim financial information for third quarter and first nine months ended on 30 September 2008 has been prepared in accordance with IAS 34, "Interim financial reporting". The interim condensed financial report should be read in conjunction with the annual financial statements of the year ended 31 December 2007.

According to management's assessment, the consolidated interim financial statements of AS Ekspress Grupp for the third quarter and first nine months of 2008 give a true and fair view of the Group's result of operations and all group entities are going concerns. The interim financial statements have not been audited or otherwise checked by auditors and they contain only the consolidated financial statements of the Group.

The functional currency of AS Ekspress Group is Estonian kroon (EEK). The financial statements are presented in thousand of Estonian kroons (EEK) and in thousand of euros (EUR), unless indicated otherwise.

Note 3 Subsidiaries and associated companies

Acquisitions and disposals of subsidiaries and associates

On 31 May 2008 TOV Delfi, a subsidiary of AS Delfi (Estonia) was established in Ukraine with a share capital of 746 thousand EEK (48 thousand EUR).

On 20 June 2008 AS Ekspress Grupp purchased 782 shares of UAB Ekspress Leidyba from minority shareholders for 392 thousand EEK (EUR 25 thousand). A goodwill of 339 thousand EEK (EUR 22 thousand) was recognized from the transaction. As a result of the transaction, AS Ekspress Grupp is the sole shareholder of UAB Ekspress Leidyba.

On 03 July 2008 Mango LV SIA, a subsidiary of AS Delfi (Latvia), was established in Latvia with a share capital of 44 thousand EEK (3 thousand EUR).

On 11 September 2008 SIA Ekspress Portals, a subsidiary of AS Ekspress Grupp was established in Latvia with a share capital of 56 thousand EEK (3.5 thousand EUR).

On 30 March 2008 Eesti Päevaleht AS purchased 50% of the shares OÜ Netikuulutused from Eesti Ekspress Kirjastus AS. As a result of the transaction, Eesti Päevaleht AS is the sole shareholder of OÜ Netikuulutused. On 01 July 2008 Eesti Päevaleht AS and OÜ Netikuulutused were merged. On 28 July 2008 OÜ Netikuulutused was deleted from Commercial Register.

On 16 September 2008 AS Ekspress Grupp made a resolution to increase the share capital of AS Delfi for 151 thousand EEK (10 thousand EUR) from 3 021 thousand EEK (193 thousand EUR) to 3 172 thousand EEK (203 thousand EUR). The share capital shall be increased with non-monetary contribution, which is the receivable of AS Ekspress Grupp against AS Delfi. With payment of the non-monetary contribution the receivable against AS Delfi will be decreased by 55 568 thousand EEK (3 551 thousand EUR).

All business combinations between independent parties are accounted for under the purchase method of accounting at the Group under which the acquired holding is reported at the acquisition cost. The purchase method is applied as of the date of acquisition. As of this date, the acquisition cost of the acquired holding, the fair value of the net assets acquired and the resulting (positive or negative) goodwill are determined. In addition to the acquisition cost of the acquired holding, directly attributable expenditures relating to the acquisition, such as fees paid to the advisors and other expenditures are according to IFRS 3.24 also included in the acquisition cost of the acquired holding.

To allocate the acquisition cost to the fair values of the acquired assets, liabilities and contingent liabilities, a purchase price allocation is prepared. The acquisition cost is allocated to the fair value of the net assets acquired; the excess of the acquisition cost of the acquired holding over the fair value of the net assets acquired is recognised as (positive or negative) goodwill. Goodwill reflects that portion of the acquisition cost that was paid for such assets of the Company that cannot be identified and accounted for separately.

Positive goodwill can be explained by the high profitability of the acquired business units, cost savings as compared to alternative costs and major synergies which are expected to arise after the concentration into the Group. Goodwill as an intangible asset with an indefinite useful life is not subject to amortisation but instead, an impairment test is performed at least once a year.

The estimated future cash flows of a cash-generating unit that are discounted using the weighted average cost of capital are used as the basis of the investment's recoverable amount. When the carrying amount of the investment is not recoverable, the investment is written down to its recoverable amount and an impairment loss is recognised. When the carrying amount of the investment is recoverable, revaluation is not necessary. Assumptions and estimates used in the evaluation of business combinations are constantly reviewed and when the actual results differ from these estimates, the results are restated.

Note 4 Capital expenditure

th EEK	Property, plant and equipment		Intangible assets	
	9 months 2008	9 months 2007	9 months 2008	9 months 2007
Balance at the beginning of period				
Acquisition cost	546 443	407 850	1 048 728	156 822
Accumulated depreciation	(141 563)	(118 640)	(25 309)	(18 541)
Book value	404 880	289 210	1 023 419	138 281
Acquisitions and improvements	23 299	99 729	7 701	711 454
Disposals (at book value)	(640)	(202)	(178)	(104)
Write-offs	(172)	(19)	0	0
Reclassification	(1 803)	(76)	(11)	12
Acquired through business combinations	9	10 270	0	175 218
Disposals through business combination	(63)	0	(422)	0
Depreciation and impairment	(33 458)	(21 552)	(13 642)	(3 736)
Valuutakursi correction	(30)	0	(16)	0
Balance at the end of period				
Acquisition cost	565 575	529 674	1 055 683	1 046 227
Accumulated depreciation	(173 552)	(152 315)	(38 832)	(25 104)
Book value	392 023	377 359	1 016 851	1 021 123

th EUR	Property, plant and equipment		Intangible assets	
	9 months 2008	9 months 2007	9 months 2008	9 months 2007
Balance at the beginning of period				
Acquisition cost	34 924	26 066	67 026	10 023
Accumulated depreciation	(9 048)	(7 582)	(1 618)	(1 185)
Book value	25 877	18 484	65 408	8 838
Acquisitions and improvements	1 489	6 374	492	45 470
Disposals (at book value)	(41)	(13)	(11)	(7)
Write-offs	(11)	(1)	0	0
Reclassification	(115)	(5)	(1)	1
Acquired through business combinations	1	656	0	11 198
Disposals through business combination	(4)	0	(27)	0
Depreciation and impairment	(2 138)	(1 377)	(872)	(239)
Currency correction	(2)	0	(1)	0
Balance at the end of period				
Acquisition cost	36 147	33 852	67 470	66 866
Accumulated depreciation	(11 092)	(9 735)	(2 482)	(1 604)
Book value	25 055	24 118	64 989	65 262

Note 5 Bank loans and borrowings

th EEK	Total amount	Repayment term			Average interest rate
		up to 1 year	1 to 5 years	over 5 years	
Balance at 31.12.2007					
Bank overdraft	79 060	79 060	0	0	6,20%
Long-term bank loans	692 773	86 126	593 915	12 732	5,05%
Finance lease (note 21)	168 765	33 827	114 587	20 351	5,05%
Total	940 598	199 013	708 502	33 083	
Balance at 30.09.2008					
Bank overdraft	41 156	41 156	0	0	6,00%
Long-term bank loans	648 000	100 877	543 881	3 242	6,74%
Finance lease (note 21)	150 376	37 373	106 684	6 319	5,51%
Total	839 532	179 406	650 565	9 561	

th EUR	Total amount	Repayment term			Average interest rate
		up to 1 year	1 to 5 years	over 5 years	
Balance at 31.12.2007					
Bank overdraft	5 053	5 053	0	0	6,20%
Long-term bank loans	44 276	5 504	37 958	814	5,05%
Finance lease (note 21)	10 786	2 162	7 323	1 301	5,05%
Total	60 115	12 719	45 282	2 114	
Balance at 30.09.2008					
Bank overdraft	2 630	2 630	0	0	6,00%
Long-term bank loans	41 414	6 447	34 760	207	6,74%
Finance lease (note 21)	9 611	2 389	6 818	404	5,51%
Total	53 655	11 466	41 579	611	

The syndicate of SEB, Sampo Pank and Nordea Pank and AS Ekspress Grupp have concluded a Loan Agreement on 28 August 2007 in the amount of EEK 674.4 million (EUR 43.1 million) for the acquisition of Delfi Group and Maaleht. Loan matures on 25 December 2012 and interest rate is 1.7% + 6 months EURIBOR. As of 30 September 2008 the loan liability constitutes EEK 587.3 million (EUR 37.5 million). The loan is secured:

- with a mortgage on the registered immovable located at Peterburi Rd 64A in the mortgage amount of 40 000 thousand kroons (2 556 thousand euros);
- with a pledge on the shares of Delfi Estonia, Delfi Latvia, Delfi Lithuania, Maaleht, Eesti Ekspress Kirjastus and Ekspress Hotline, and with the guarantee of the said subsidiaries in the total amount of 43 100 thousand kroons (2 755 thousand euros);
- with a combined pledge in the amount of EEK 4 000 thousand (EUR 255 thousand) on the following trademarks: Eesti Ekspress, Ekspress Hotline, Delfi and Maaleht.
- with an agreement with Hans Luik for the maintenance of a shareholding (direct and indirect) of at least 51 % in Ekspress Group.

A loan agreement has been concluded between Printall and Sampo Bank in the amount of EEK 75 000 thousand (EUR 4 793 thousand), with the term of 15.12.2013, which is secured with a mortgage in the amount of EEK 100 million (EUR 6.4 million) on registered immovable property located at Peterburi Rd 64A, Tallinn (carrying amount as of 30.09.2008: EEK 73 934 thousand (EUR 4 725 thousand), 31.12.2007: EEK 76 143 thousand (EUR 4 866 thousand), also a commercial pledge on the assets of the company in the amount of 50 million kroons (3.2 million euros). The outstanding loan balance as of 30.09.2008: EEK 60 562 thousand (EUR 3 871 thousand), 31.12.2007: EEK 67 823 thousand (EUR 4 335 thousand). Loan and financial lease agreements contain among other things certain conditions for ratios of the company with which the financial indicators of the company must comply. As of the balance sheet date, all the ratios were in compliance with the conditions established by the financial institutions.

On 3 March 2008 an amendment to the overdraft agreement between Ekspress Grupp and AS Sampo Pank has been made, under which the overdraft limit is EEK 20 million (EUR 1.28 million) from 1 April 2008 and EEK 15 million (EUR 1.0 million euros) from 1 October 2008. The interest rate of overdraft agreement is 6% and the maturity date of the overdraft is 31.03.2009 according to the amendment to the overdraft agreement concluded on 31 March 2008.

According to the overdraft agreement concluded on 30 March between AS Ekspress Grupp and AS SEB Pank, the overdraft limit is EEK 20 million (EUR 1.28 million) from 1 April 2008 and EEK 15 million (EUR 1.0 million euros) from 1 October 2008. The interest rate of overdraft is 6% and the maturity date of the overdraft is 31.03.2009.

On 31 March 2008 an overdraft agreement was concluded between AS Ekspress Grupp and Nordea Bank Finland Plc Estonian branch with the limit of EUR 1.28 million (EK 20 million) from 1 April 2008 and EUR 1.0 million (EEK 15 million) from 1 October 2008. The interest rate of overdraft is 6% and the overdraft maturity date is 31.03.2009.

The overdraft agreements concluded with Sampo, SEB and Nordea banks have been secured by the surety issued by Hans Luik. The corresponding contract of suretyship was concluded on 1 April 2008.

On 30 September 2008 a cancellable swap transactions were concluded between AS Ekspress Grupp and SEB Pank, Sampo Pank ja Nordea Pank with a fixed interest rate of 4.3%. Transaction amount is EEK 291.0 millions (EUR 18.6 millions) and termination date is 3 September 2012.

Note 6 Segment reporting

The Group presents the following major segments as the primary segments in the consolidated financial statements:

- a) online media;
- b) periodicals;
- c) printing services;
- d) book sales;
- e) information services;
- f) unallocated.

The secondary segment is the geographical segment by the location of facilities and other assets.

Since 2008, the online media segment includes also the web publications of AS Eesti Päevaleht, SLÕhtuleht AS and Eesti Ekspress Kirjastus AS, and automobile, real estate and employment web environments of Eesti Ekspress Kirjastus AS, which were earlier included under the periodicals segment.

Number of employees by segment

Segment	Number of employees		Average number of employees	
	30.09.2008	30.09.2007	9 kuud 2008	9 kuud 2007
Online media	196	164	192	164
Periodicals	1611	1707	1639	1708
Printing services	214	197	211	194
Book sales	117	81	98	74
Information services	216	189	227	165
Unallocated	7	6	7	6
Total	2361	2344	2374	2311

Revenue by segment

(thousand)	EEK		EUR		Change%
	Q III 2008	Q III 2007	Q III 2008	Q III 2007	
Online media	35 075	12 487	2 242	798	181%
Periodicals	124 585	117 836	7 962	7 531	6%
Printing services	93 117	86 908	5 951	5 554	7%
Book sales	47 469	42 256	3 034	2 701	12%
Information services	16 223	15 630	1 037	999	4%
Unallocated	613	401	39	26	53%
Inter-segment sales	(22 036)	(17 879)	(1 408)	(1 143)	23%
Sales to external customers	295 046	257 639	18 857	16 466	15%

EBITDA by segment

(thousand)	EEK		EUR		Change%
	Q III 2008	Q III 2007	Q III 2008	Q III 2007	
Online media	2 244	7 421	143	474	-70%
Periodicals	10 710	11 842	684	757	-10%
Printing services	26 903	14 208	1 719	908	89%
Book sales	1 176	1 251	75	80	-6%
Information services	3 748	4 492	240	287	-
Unallocated	(2 376)	(2 459)	(152)	(157)	-
Eliminations	(12)	(1 889)	(1)	(121)	-
EBITDA total	42 393	34 866	2 709	2 228	22%

Revenue by segment

(thousand)	EEK		EUR		Change%
	9 months 2008	9 months 2007	9 months 2008	9 months 2007	
Online media	122 322	16 749	7 818	1 070	630%
Periodicals	409 789	370 590	26 190	23 685	11%
Printing services	306 940	278 933	19 617	17 827	10%
Book sales	138 265	123 540	8 837	7 896	12%
Information services	54 748	50 046	3 499	3 199	9%
Unallocated	1 855	1 296	119	83	43%
Inter-segment sales	(70 639)	(56 507)	(4 515)	(3 611)	25%
Sales to external customers	963 280	784 647	61 565	50 148	23%

EBITDA by segment

(thousand)	EEK		EUR		Change%
	9 months 2008	9 months 2007	9 months 2008	9 months 2007	
Online media	25 101	6 693	1 604	428	-
Periodicals	44 964	44 607	2 874	2 851	1%
Printing services	68 106	51 836	4 353	3 313	31%
Book sales	3 796	4 425	243	283	-14%
Information services	4 385	9 006	280	576	-51%
Unallocated	(7 247)	(6 445)	(463)	(412)	-
Eliminations	(3 492)	(1 822)	(223)	(116)	-
EBITDA total	135 613	108 300	8 667	6 922	25%

Geographical Segment by the Location of facilities and other assets– Secondary Segment

The company is active in Estonia, Latvia, Lithuania, Ukraine and Romania. As the markets do not generate significantly different risks and returns and they exhibit similar long-term financial performance, these four segments are combined. The share of group's revenues in Lithuania is less than 5% and in Latvia less than 2%. There are no material inter-segment transactions or unallocated assets.

Note 7 Reserves

Reserves include:

- Statutory legal reserve required by the Commercial Code. Subject to the approval of the general meeting, the reserve may be used for covering accumulated losses, if the latter cannot be covered with other unrestricted equity, and for increasing share capital.
- Other reserves- additional payments in cash from share holders 10 000 th kroons (639 th euros) and reserve to the share option 536 thousand kroons (34.3 thousand euros).

On the special general meeting of shareholders held on 21 January, it was decided to add a provision to the articles of association of AS Ekspress Grupp which grants the Supervisory Board the right to increase the share capital of the Company in the period from 22.01.2008 to 21.01.2011 with up to 470 000 shares. That right will be exercised in the case if new shares are issued to the key management of the Group and its subsidiaries approved by the Supervisory Board on 11 March 2008 for conducting the share option programme. According to the share option programme approved by the Supervisory Board, Ekspress Group will issue up to 470 000 options, while the number of options granted to one person is a maximum of 100 000. Each option grants at exercise date the right to one share. The share option will be exercised in the first half year of 2009, 2010 and 2011 each year accordingly 1/3 of the volume determined to the entitled person. The number of shares to be issued annually under the option programme comprises 0.8% of the total number of shares.

On 12 March 2008 agreements of stock call option were concluded with the members of the management of the concern and subsidiaries included in the option program. According to the IFRS2 options are accounted in their fair value under operating expenses and other reserves proportionally over the validity period of options.

On annual general meeting of shareholders held on 14 May 2008, the Management Board was given the authorization to buy up to 160 000 own shares with a price for one share not being higher than the highest price paid for an Ekspress Grupp share on the Tallinn Stock Exchange on the same day. The company shall dispose own shares within one year after the resolution of the general meeting.

Share premium – the positive difference between the issue price and nominal value of issued shares

th EEK	30.09.2008	31.12.2007
Share premium	183 495	183 495
Statutory legal reserve	222	222
Other reserves	10 536	10 000
Additional payments in cash from shareholders	10 000	10 000
Reserve for stock options	536	0

th EUR	30.09.2008	31.12.2007
Share premium	11 727	11 727
Statutory legal reserve	14	14
Other reserves	673	639
Additional payments in cash from shareholders	639	639
Reserve for stock options	34	0

Note 8 Earnings per share

Basic earnings per share have been calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares outstanding during the period.

In view of the fact that the Group has not dilutive instruments at the periods 31.09.2008 and 31.12.2007 diluted earnings per share equal basic earnings per share.

	EEK		EUR	
	Q III 2008	Q III 2007	Q III 2008	Q III 2007
Profit attributable to equity holders of the Parent Company	11 967 143	19 138 031	44 112 053	70 153 713
The average number of ordinary shares	18 971 081	18 835 612	18 971 081	18 119 254
Basic and diluted earnings per share	0,63	1,02	2,33	3,87

	EEK		EUR	
	9 months 2008	9 months 2007	9 months 2008	9 months 2007
Profit attributable to equity holders of the Parent Company	764 840	1 223 143	2 819 274	4 483 639
The average number of ordinary shares	18 971 081	18 835 612	18 971 081	18 119 254
Basic and diluted earnings per share	0,04	0,06	0,15	0,25

Note 9 Equity

On 5 April 2007, the company's share capital was increased with a capitalisation issue from 24 479 th kroons (1 564 th euros) by issuing 2 447 881 new Shares with the nominal value of 10 kroons(0.63 euros) each. The new shares were subscribed during the initial public offering of the company's shares at Tallinn Stock Exchange where the final offer price was set at 92.30 kroons (5.83 euros). Thus, after the deduction of the issue costs (17 996 th kroons (1 148 th euros)), the company was able to recognise share premium of 183 495 th kroons (11 727 th euros).

Following the described share capital increases, the share capital of the Company is 189 711 th kroons (12 125 th euros), divided into 18 971 081 shares with the nominal value of 10 kroons (0.63 euros) each.

Authorised share capital according to the Articles of Association is 400 000 000 kroons (25 564 660 euros) .

Note 10 Related party transactions

Transactions with related parties are transactions with parent company, shareholders, associates, unconsolidated subsidiaries, key management, management board, supervisory board, their close relatives and the companies in which they hold majority interest.

The ultimate controlling individual of AS Ekspress Grupp is Hans Luik (note 9)

The Group has purchased from (goods for sale, manufacturing materials, fixed assets) and sold its goods and services to (lease of capital assets, management services, other services) to the following related parties:

Sales

(thousand)	EEK		EUR	
	HY I 2008	HY I 2007	HY I 2008	HY I 2007
Sale of services				
members of management boards and companies related to them	11	4	1	0
members of supervisory boards and companies related to them	84	321	5	21
associated companies	326	29 723	21	1 900
Sales total	421	30 048	27	1 921

Purchases

(thousand)	EEK		EUR	
	HY I 2008	HY I 2007	HY I 2008	HY I 2007
Purchase of services				
members of management boards and companies related to them	877	728	56	47
members of supervisory boards and companies related to them	5 851	4 709	374	301
associated companies	78	137	5	9
Purchases total	6 806	5 574	435	357

Receivables

(thousand)	EEK		EUR	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
Short-term receivables				
members of management boards and companies related to them	0	1	0	0
members of supervisory boards and companies related to them	5 946	5 827	380	372
associated companies	7 409	5 337	474	341
Short-term receivables total	13 355	11 165	854	713
Long-term receivables				
members of supervisory boards and companies related to them	1 550	9 579	99	612
Long-term receivable total	1 550	9 579	99	612
Receivable total	14 905	20 744	953	1 325

Liabilities

(thousand)	EEK		EUR	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
Short-term payables				
members of management boards and companies related to them	3	93	0	6
members of supervisory boards and companies related to them	42 507	425	2 717	27
associated companies	1	13	0	1
Liabilities total	42 511	531	2 717	34

AS Ekspress Grupp (Borrower) and HHL Rühm OÜ (related company of the Group's shareholder) have concluded a short term Loan Agreement in March 2008 in the amount of EEK 30 000 th (EUR 1 917 thousand). Loan interest rate is 6%.

AS Ekspress Grupp (Borrower) and HHL Rühm OÜ (related company of the Group's shareholder) have concluded a short term Loan Agreement in September 2008 in the amount of EEK 18 000 th (EUR 1 150 thousand). Loan interest rate is 1.7% + 6 month EURIBOR

AS Ekspress Grupp (Lender) and OÜ ZinZin have concluded a Loan Agreement in 31 August 2007 in the amount of EEK 879.5 million (EUR 56,2 million for the acquisition of Delfi Group. Loan matures in 2027, interest rate is 1.7% + 6 month EURIBOR.

The Management Board of the Parent company consists of 3 members and the Supervisory Board of 6 members.

Key management and supervisory board remuneration

(thousand)	EEK		EUR	
	9 months 2008	9 months 2007	9 months 2008	9 months 2007
Salaries and other short-term employee benefits (paid)	14 946	8 638	955	552
Total	14 946	8 638	955	552

The key management employment termination compensation benefits are obligations only in case of termination of contracts originated by Group and in case of dismissal at termination of contracts if the board member shall not be re-elected. Potential key management employment termination compensation in 2008 is 4 974 th EEK (318 th EUR) and 2007 was 4 450 th EEK (284 th EUR). The management termination compensations are payable only in case the termination of contracts was originated by Group.

Note 11 Post-balance-sheet events

A letter of intent was concluded on 15 April 2008 at the negotiations of AS Ekspress Grupp with AS Eesti Post, which are held with AS Eesti Meedia, co-shareholder of AS Express Post. On 7 July 2008 the parties have decided to end the negotiations without concluding a contract as the terms and conditions of the transaction could not be agreed upon.