



AS EKSPRESS GRUPP
CONSOLIDATED INTERIM REPORT
FOR THE FOURTH QUARTER AND TWELVE MONTHS OF
2008

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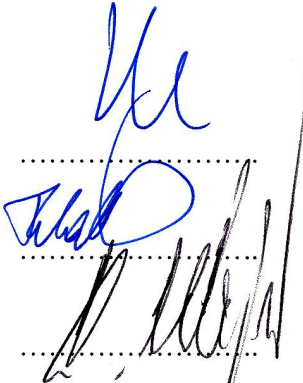
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GENERAL INFORMATION

Beginning of the financial year	1 January 2008
Ending of the financial year	31 December 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 15 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		26 February 2008
Anne Kallas	Member of the Management Board		26 February 2008
Kaido Ulejev	Member of the Management Board		26 February 2008

INTERIM MANAGEMENT REPORT

In 2008, the sales revenue of Ekspress Group increased by 15% and EBITDA increased by 13% as compared to last year. In the 4th quarter of 2008, the sales revenue declined by 1% and EBITDA declined by 16% as compared to the same period last year. The stalling of the sales revenue growth and the decline of EBITDA in the fourth quarter was caused by the decline of advertising revenue related to the economic recession.

Key figures characterising the activities of Ekspress Group in 2008

- Sales revenue EEK 1 323.4 million (EUR 84.6 million), annual growth 15%
- Gross profit EEK 337.1 million (EUR 21.5 million), annual growth 11%
- EBITDA EEK 175.8 million (EUR 11.2 million), annual growth 13%
- EBIT EEK 114.3 million (EUR 7.3 million), annual change -2%
- Net profit EEK 49.5 million (3.2 million), annual change -46%

Key figures characterising the activities of Ekspress Group in the 4th quarter of 2008

- Sales revenue EEK 360.1 million (EUR 23.0 million), year-over-year change -1%
- Gross profit EEK 88.3 million (EUR 5.6 million), year-over-year change -1%
- EBITDA EEK 40.2 million (EUR 2.6 million), year-over-year change -16%
- EBIT EEK 26.2 million (EUR 1.6 million), year-over-year change -22%
- Net profit EEK 5.8 million (0.4 million), year-over-year change -73%

Key events of the 4th quarter of 2008

- launching of Delfi Infoliin 1184 (*Delfi Information Line 1184*) that replaced the previous 1184 Numbriinfo.
- launching of the upgraded web publication of the womens' magazine Moteris www.moteris.lt in Lithuania
- launching of the video news portal Delfi.TV in Estonia and Latvia
- www.ekspresskinnisvara.ee became the second most popular real estate portal in Estonia at the end of October based on the number of visits
- opening of a bookstore in Rocca Al Mare shopping centre in Tallinn under the trademark of "Rahva Raamat"

Overview of the advertising market

According to the data provided by media analyst Toomas Leito, the advertising revenue of magazines has fallen by 18% as compared to the previous 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 10%. In the fourth quarter, the decline of the Estonian market for printed ads continued, being considerably steeper as compared to previous quarters: the advertising revenue of newspapers fell by 22% and that of magazines fell by 17% as compared to the fourth quarter of 2007. At the same time, Internet advertising revenue stayed at the same level in the fourth quarter as in the same period last year. Web ads are not increasing as fast as in previous periods, but growth continues and the share of web ads in the total advertising market has accelerated. In light of the panic prevailing in the fourth quarter due to the crash of the financial markets and the overall economic recession, such results were to be expected.

Overview of the segments

In the fourth 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 the 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 fourth quarter of 2008, the largest revenue growth in absolute terms as compared to the same period in 2007 was attained in the segment of printed services where sales growth was attained through an increase of operating capacities related to the launching of the new printing press in October 2007. Book sales also increased as a result of the opening of new stores. In the fourth quarter, sales revenue declined the most in the publishing segment as a result of a major decline of the advertising market at the year-end.

In the segment of online media 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 in 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, Delfi continued to be the largest news portal in Estonia in the third quarter with 549 000 unique users per month, growing its user base by 28 000 unique users as compared to the same period last year. Delfi's largest competitor www.postimees.ee had 445 000 unique visitors during the same period. According to the data by Gemius Audience, Delfi had on average 924 000 unique visitors per month in Lithuania in the fourth quarter and thereby continued to be the largest news portal there. The competing news portals www.rytas.lt and www.alfa.lt had 665 000 and 527 000 unique visitors, respectively, in the same period.

According to the data by Gemius Audience, Delfi is also the largest news portal in Latvia with 589 000 unique users per month. Delfi's competing news portals in Latvia, www.tvnet.lv had 420 000 and www.apollo.lv had 371 000 unique visitors.

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>.

The entertainment portal www.klubas.lt launched in Lithuania in the first quarter was the largest entertainment portal with its 253 000 unique users in the fourth quarter. The new web version www.panele.lt of the largest women-oriented monthly magazine "Panele" that was launched in Lithuania in the second quarter had 213 000 unique visitors per month in the fourth quarter, being a magazine's web version with the largest user base. In the fourth quarter, the womens' magazine Moteris introduced an upgraded website in Lithuania, www.moteris.lt, that on average was visited by 73 000 unique visitors per month. The entertainment portal www.mango.lv launched in Latvia in July strengthened its leadership position as the leading portal in its field, gaining 33 000 unique visitors per month in the fourth quarter. The entertainment portal Publik.ee launched in Estonia in August by Delfi became fast the leading portal in its field, having on average 237 000 unique visitors per week. The science and technology news environment Forte.ee launched in Estonian in September had 89 000 unique visitors per week as of the end of the fourth quarter.

The video news portal Delfi.TV was launched in Estonia in October and in Latvia in November, enabling to watch an Internet-based video portal for the first time on a TV screen at home.

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. At the end of October, www.ekspresskinnisvara.ee that had been launched at the beginning of the year became the second most visited real estate portal with 80 000 unique visitors per week according to the data by the website measurement system TNS Metrix in Estonia, surpassing such portals as kv.ee, soov.ee and kuldnebors.ee. This year, ekspresskinnisvara.ee has been the fastest growing real estate portal, the factors behind this fast growth include a good technical solution and comprehensive cooperation with Delfi.

The automobile portal ekspressauto.ee continued to secure its second place in the market, reaching an average of 26 000 unique visitors per week. The employment portal ekspressjob.ee launched in the second quarter, launched a column of employment news in Delfi in December which increased the user base of ekspressjob.ee to 30 000 unique visitors per 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.

In December, Delfi started to implement the restructuring project, and as its first stage, the subsidiary of AS Ekspress Group in Latvia under the name of SIA Delfi Holding was registered on 23 December 2008. On 30 December 2008, a share purchase agreement was entered into between Delfi AS (Estonia) and SIA Delfi Holding for the sale of 100% of the shares of Delfi AS (Latvia).

The year-over-year sales revenue growth of Delfi Group in the fourth quarter of 2008 was 9%. In the fourth quarter of 2008, EBITDA made up 41% of the level of the same period in 2007. The decline in EBITDA in the fourth quarter was related to the costs of launching Delfi Ukraina in the amount of EEK 1.4 million (EUR 0.09 million), as well as additional development projects such as [klubas.lt](#) in Lithuania in the amount of EEK 1.0 million (EUR 64 thousand), mango.lv in Latvia in the amount of EEK 0.7 million (EUR 45 thousand), publik.ee in Estonia in the amount of EEK 0.7 million (EUR 45 thousand) and forte.ee in Estonia in the amount of EEK 0.4 million (EUR 25 thousand). Fourth quarter's expenses were also impacted by the termination fees paid to employees. Excluding the costs related to the aforementioned development projects, EBITDA made up 73% of the level of the same period in 2007. The sales revenue growth of Delfi Group in 2008 was 13% as compared to 2007 and EBITDA made up 79% of the level in 2007. Excluding the costs related to the aforementioned development projects, EBITDA declined by 4% in 2008.

As advertising revenue is extremely sensitive to the economic environment, the economic cool-down has led to a decline of advertising revenue in the publishing segment. In the fourth quarter, the Group's advertising revenue in the publishing segment declined by 26%. The economic cool-down in the fourth quarter has also had an impact on the single copy sales of periodicals, which decreased by 8% as compared to the fourth quarter of 2007. At the same time, the subscriptions decreased only by 1%. The stalling of the advertising revenue growth has a major impact on the profit in the publishing segment, because the gross margin of advertising revenue is significantly higher than that of subscriptions and single copy sales. EBITDA of the publishing sector fell by 13% in the fourth quarter as compared to the same period in 2007. The subscription campaign of Eesti Päevaleht regarding the book series "Eesti Lugu" (*Estonian Story*) dealing with the history of Estonia ended successfully in the fourth quarter, helping Eesti Päevaleht to gain new subscribers as well as to increase its single copy sales. The programme "Värske Ekspress" which is shown on TV3 on Thursdays has helped to increase the reader base of Eesti Ekspress in the fourth quarter.

In the segment of printing services, the sales revenue growth of the printing company was a decent 9% in the fourth quarter of 2008 as compared to same period in 2007. The addition of new contracts to better utilise the operating capacity of the printing machine taken into use in October 2007 enabled to increase the Company's exports by 73% in October 2008 and increase the total sales revenue of the printing company to an almost record-breaking level. Similarly to publishing, printing services are also characterised by seasonality, with one peak being from March to May and the second, in October and November.

On 15 December 2008, the printing company entered into a purchase and sales agreement regarding the sale of the 6859 m² unimproved land plot in its possession in the amount EEK 9 million (EUR 0.6 million). The EBITDA growth of the printing company in the fourth quarter was 31%. The annual EBITDA growth of the printing company was 22%, excluding the proceeds from the sale of the land plot in the amount of EEK 6.6 million (EUR 0.4 million).

With regard to book sales, 8% sales growth was attained in the fourth quarter. The growth of the retail sales of books was even 37%, achieved through the addition of new sales premises. In 2008, three new stores were opened, of which the store Rahva Raamat opened on 800m² space in Rocca al Mare shopping centre on 1 October is the second largest bookstore in Estonia. Rahva Raamat will open another new store next year, in Pärnu Keskus located in Pärnu.

The sales revenue of information services increased by 6% in 2008 as compared to 2007; however, in the fourth quarter it declined somewhat, by 2% as compared to the same period in 2007. However, the sales of information services without the effect of periodisation of revenue increased by 17%. The decline of EBITDA in the fourth quarter of 2008 and in 2008 was related to losses incurred in Romania and the write-

off of doubtful receivables in Estonia. As of the balance sheet date, Ekspress Group has exited its business of information services in Romania. The Company launched Delfi Infoliin 1184 (*Delfi Information Line 1184*) in cooperation with Delfi that will replace the previous 1184 Numbriinfo. In addition to the information available in the Internet environment www.ee.ee, the new brand Delfi Infoliin 1184 also includes Delfi company search. Delfi Infoliin 1184 is a universal information telephone which provides information as desired in Estonian, English or Russian languages. We expect cooperation with Delfi to contribute to sales revenue growth of information services.

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 fourth quarter had an impact on the Group's revenue and profit, manifested in a decline of advertising revenue of newspapers and magazines as well as the related decline in profit.

As compared to the 1% decline of sales revenue, direct costs increased by 1% in the fourth quarter as a result of which the gross margin declined from 26.6% to 24.5% in the fourth quarter. Besides appreciation of printing and distribution services, depreciation included in direct expenses has also increased.

EBITDA totalled EEK 40.2 million (EUR 2.6 million) in the fourth quarter of 2008, making up 84% of the result of the same period in 2007. In the fourth quarter, operating profit reached EEK 26.1 (EUR 1.7), being less than the level of 2007. In the fourth quarter, the operating margin was 7.3% (4th quarter of 2007: 9.2%). The slowdown of EBIT is besides the decline of advertising revenue 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 the new book project of Eesti Päevaleht. In addition to the aforementioned reasons, the marketing costs in the fourth quarter also increased as a result of the Hotline brand advertising campaign and the production costs of the TV programme Värsk Ekspress. Annual growth as compared to 2007 is 16%. However, marketing costs decreased by 12% in the fourth quarter as compared to the same period in 2007, attained through optimisation of marketing expenses.

Administrative expenses decreased by 14% in the fourth quarter as compared to the same period last year. Wages and salaries included in administrative expenses decreased by 20% as compared to the same period in 2007. The decline of administrative 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 6.6 million (EUR 0.4 million) from recognising the sale of the 6859 m² unimproved land plot in Printall's possession pursuant to the purchase and sales agreement entered into on 15 December 2008.

The Group's financial expenses reached EEK 18.7 million (EUR 1.2 million) in the fourth quarter. Financial expenses were mostly made up of interest expenses in the amount of EEK 16.4 million (EUR 1.0 million) (4th quarter of 2007: EEK 14.7 million (EUR 0.9 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 fourth quarter of 2007. As of 31 December 2008, the outstanding loan balance is EEK 574.1 million (EUR 36.7 million).

The net profit (after taxes and minority interest) of Ekspress Group totalled EEK 5.8 million (EUR 0.4 million) in the fourth quarter of 2008. As compared to the same period in 2007, the net profit decreased by

73%. In addition to the events impacting the operating profit, the stalling of the net profit growth is related to the increase of interest expenses in connection with the syndicate loan.

Under the conditions of a deepening economic recession, we have continued in the fourth quarter with the cost cutting programme introduced in the previous quarters. The main components of the programme include savings of paper and printing costs, savings of IT development costs and savings of payroll expenses. Of general expenses, training, representation, parking, etc. other costs have been curbed in addition to the cost saving measures announced earlier. The biggest cost savings source is payroll expenses, which is mainly achieved through lay-offs of employees. As of the balance sheet date, 60 employees have been laid off. Lay-offs relate mostly to Ajakirjade Kirjastus, Ekspress Kirjastus, Eesti Päevaleht and Delfi. Due to the additional lay-offs of employees in the fourth quarter, termination benefits are also included in the payroll expenses of the fourth quarter. The effect of saving these payroll expenses will be achieved in the next year. The additional lay-offs in the fourth quarter were related to a major decline of advertising revenue as well as combining of support functions necessary for increasing business effectiveness. The reduction in the number of employees and reduction of wages will continue in 2009.

Balance sheet and investments

As of 31 December 2008, the consolidated balance sheet total of Ekspress Group was EEK 1 706.5 million (EUR 109.0 million), decreasing by 2.6% year-over-year. As of 31 December 2008, current assets decreased by 6% year-over-year, reaching EEK 287.6 million (EUR 18.4 million). Current liabilities increased by 4% year-over-year, reaching EEK 457.6 million (EUR 29.2 million) at the year-end. Of current liabilities, borrowings decreased by 11.5% million, reaching EEK 176.2 million (EUR 11.3) at the year-end. At the same time, the payables to the Group companies increased by 27% and to the suppliers, by 5%.

As of the end of December, the Group's long-term borrowings totalled EEK 628.0 million (EUR 40.1 million), decreasing by EEK 113.8 million (EUR 7.3 million) year-over-year or 15%. Of the long-term borrowings, bank loans constitute EEK 524.3 million (EUR 33.5 million) and the finance lease liability is EEK 103.5 million (EUR 6.6 million). Of the long-term loans, 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 476.9 million (EUR 30.5 million). The total outstanding balance of this loan as of 31 December 2008 was EEK 574.1 million (EUR 36.7 million).

Property, plant and equipment stood at EEK 389.6 million (EUR 24.9 million) as of year-end, decreasing by 4% year-over-year. As of the year-end, intangible assets were EEK 1 013.4 million (EUR 64.7 million), decreasing by 1% year-over-year. Of intangible assets, EEK 822.3 million (EUR 52.6 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 the 6859 m² unimproved land plot of Printall as the investment property with the market value of EEK 9.0 million (EUR 0.6 million) as of 31 December 2008.

Employees

As of the end of December 2008 the Ekspress Group employed 2 393 people (As of 31 December 2007: 2 292 people). The average number of employees in the twelve months of 2008 was 2 375 (12 months of 2007: 2 274). Over the twelve months of 2008, wages and salaries paid to the employees of the Ekspress Group totalled EEK 309.3 million (EUR 19.8 million), (12 months of 2007: EEK 241.5 million (EUR 15.4 million))*.

*proportional part from joint ventures

Shares and shareholders of the Ekspress Group

The share capital of the public limited company is EEK 189 710 810 (EUR 12 124 731) 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 31 December 2008:

- Hans Luik who controls 12 866 488 shares which makes up 67.82% of the share capital of the public limited company
- INC Luxembourg S.A whose customers hold 1 441 134 shares which makes up 7.60% 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 31.12.2008

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	2 092 712	11,03%
Hans Luik , OÜ Minigert	6 900	0,04%
Hans Luik, Selle Luik	76	0,00%
Priit Leito	52 757	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	4 558 321	24,07%
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., their ownership constitutes 7.60% as of 31 December 2008.

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 31 December 2008



Security trading history

PRICE	2008	
	EEK	EUR
Open	72,13	4,61
High	72,44	4,63
Low	10,17	0,65
Traded volume	3 503 571	3 503 571
Turnover, million	133,93	8,56
Capitalisation, million	234,50	14,99

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 Öhtuleht, 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.

It was decided to recall Selle Luik from the member of the supervisory board and elect Ville Jehe and Antti Partanen as the new members of the supervisory board at the special general meeting held on 12 December 2008.

Ekspress Group Structure

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.

On 31 May 2008 TOV Delfi, a subsidiary of AS Delfi (Estonia) was established in Ukraine.

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.

On 03 July 2008 Mango LV SIA, a subsidiary of AS Delfi (Latvia), was established in Latvia.

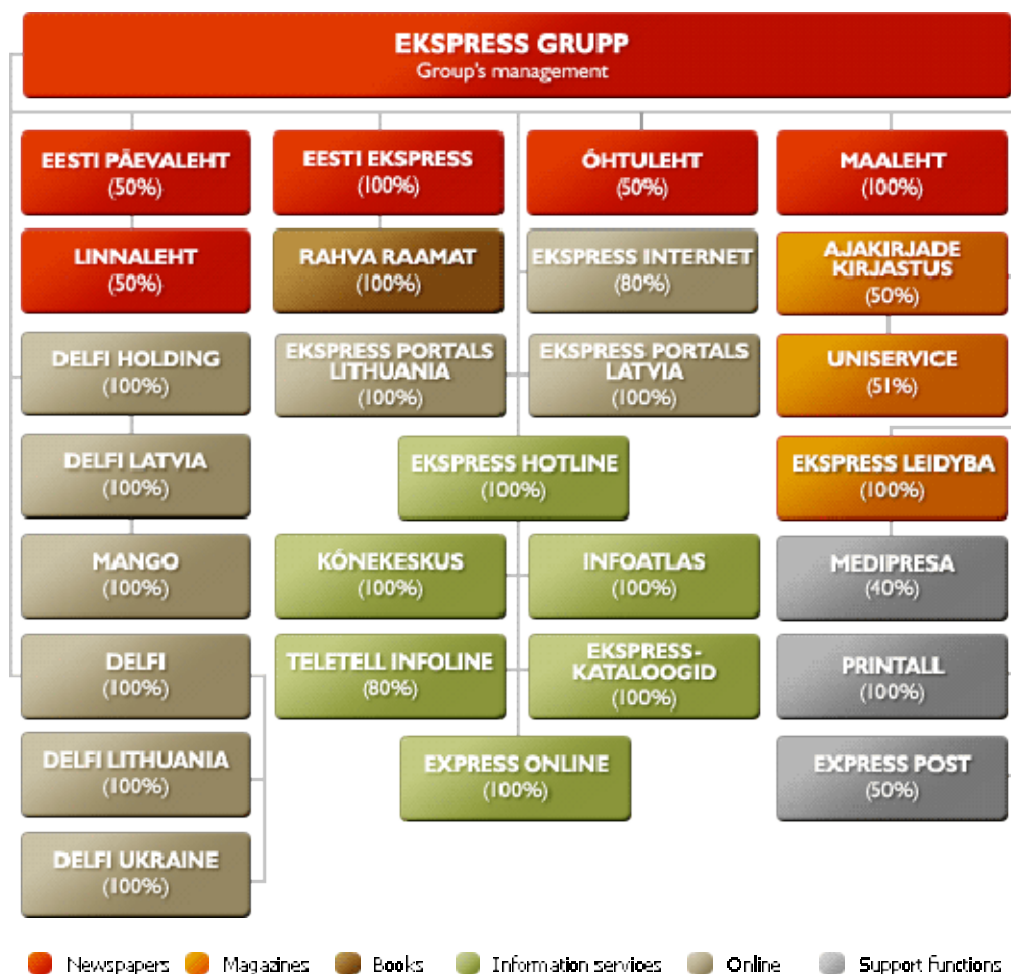
On 11 September 2008 SIA Ekspress Portals, a subsidiary of AS Ekspress Grupp was established in Latvia.

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).

On 1 October 2008 AS Numbriinfo merged with AS Ekspresskataloogid.

On 15 November 2008 UAB Ekspress Portals, a subsidiary of AS Ekspress Grupp was established in Latvia.

On 23 December 2008 SIA Delfi Holding, a subsidiary of AS Ekspress Grupp was established in Latvia. Detailed information on the acquisitions of subsidiaries and associates is given in note 3.



Selected financial indicators

(thousand)	EEK		EUR	
	12 months 2008	12 months 2007	12 months 2008	12 months 2007
Accounting period				
Sales	1 323 376	1 149 962	84 579	73 496
Gross profit	337 108	295 548	21 545	18 889
Operating profit	114 329	116 399	7 307	7 439
Net profit for the period	49 546	92 109	3 167	5 887
At the end of the period	<u>31.12.2008</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>31.12.2007</u>
Total current assets	287 612	305 565	18 382	19 529
Total non-current assets	1 418 892	1 446 666	90 682	92 460
Total assets	1 706 504	1 752 231	109 064	111 988
Total liabilities	1 085 609	1 181 389	69 382	75 505
Total equity	620 895	570 842	39 682	36 483

Performance indicators (%)		12 months 2008	12 months 2007	
Sales growth (%)	$(\text{sales 12 months 2008} - \text{sales 12 months 2007}) / \text{sales 12 months 2007} * 100$	15%	24%	
Gross profit margin (%)	$\text{gross profit} / \text{sales} * 100$	25%	26%	
Net profit margin (%)	$\text{net profit} / \text{sales} * 100$	4%	8%	
Equity ratio (%)	$\text{equity} / (\text{equity} + \text{debt}) * 100$	36%	33%	
ROA (%)	$\text{net profit} / \text{assets} * 100$	3%	8%	
ROE (%)	$\text{net profit} / \text{equity} * 100$	8%	21%	
Operating profit margin (%)	$\text{operating profit} / \text{sales} * 100$	9%	10%	
Liquidity ratio	$\text{current assets} / \text{current liabilities}$	63%	69%	
Debt equity ratio (%)	$\text{interest bearing liabilities} / \text{equity} * 100$	139%	167%	
Financial leverage (%)	$(\text{interest bearing liabilities} - \text{cash and cash equivalents}) / (\text{interest bearing liabilities} + \text{equity}) * 100$	55%	58%	
Earnings per share (EEK)	net profit/average number of shares	EEK	2,61	5,00
		EUR	0,17	0,32

Revenue by Group Companies*

(thousand)	EEK		EUR		Change %
	12 months 2008	12 months 2007	12 months 2008	12 months 2007	
Eesti Ekspressi Kirjastuse AS	134 982	143 101	8 627	9 146	-6%
AS Delfi	147 477	130 043	9 425	8 311	13%
AS Printall	422 997	385 787	27 034	24 656	10%
AS Maaleht	56 922	59 848	3 638	3 825	-5%
UAB Ekspress Leidyba	80 529	67 692	5 147	4 326	19%
Rahva Raamat AS	207 790	187 800	13 280	12 003	11%
AS Ekspress Hotline	70 660	66 332	4 516	4 239	7%
Eesti Päevalehe AS**	175 054	175 766	11 188	11 233	0%
AS SL Õhtuleht**	151 124	157 640	9 659	10 075	-4%
AS Express Post**	81 800	72 132	5 228	4 610	13%
AS Ajakirjade Kirjastus**	221 672	229 678	14 167	14 679	-3%
AS Linnaleht	29 506	32 294	1 886	2 064	-9%
UAB Medipresa	154 330	129 135	9 863	8 253	20%

*with intergroup transactions

**joint ventures 100%

EBITDA by Group Companies*

(thousand)	EEK		EUR		Change %
	12 months 2008	12 months 2007	12 months 2008	12 months 2007	
Eesti Ekspressi Kirjastuse AS	11 172	26 707	714	1 707	-58%
AS Delfi	35 459	45 108	2 266	2 883	-21%
AS Printall	91 816	69 924	5 868	4 469	31%
AS Maaleht	4 819	5 136	308	328	-6%
UAB Ekspress Leidyba	1 892	(216)	121	(14)	-
Rahva Raamat AS	8 032	8 650	513	553	-7%
AS Ekspress Hotline	861	8 752	55	559	-90%
Eesti Päevalehe AS**	10 022	7 672	641	490	31%
AS SL Õhtuleht**	27 250	32 208	1 742	2 058	-15%
AS Express Post**	5 954	4 748	381	303	25%
AS Ajakirjade Kirjastus**	13 932	21 354	890	1 365	-35%
AS Linnaleht	(1 049)	2 264	(67)	145	-
UAB Medipresa	359	315	23	20	14%

*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 17 - 31.

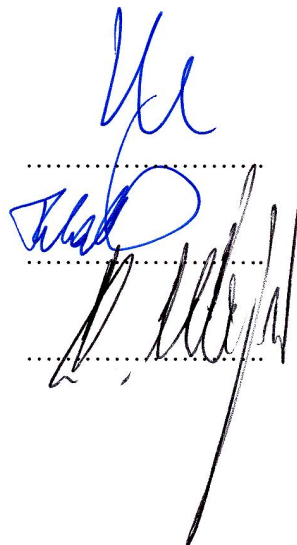
The Management Board confirms that:

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



26 February 2008
26 February 2008
26 February 2008

Consolidated interim balance sheet (unaudited)

(thousand)	EEK		EUR	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
ASSETS				
Current assets				
Cash and cash equivalents	46 388	68 970	2 965	4 408
Other financial assets at fair value through profit or loss	8 025	4 606	513	294
Trade and other receivables	166 844	165 828	10 663	10 598
Inventories	66 355	66 161	4 241	4 228
Total current assets	287 612	305 565	18 382	19 528
Non-current assets				
Trade and other receivables	3 270	13 671	207	874
Investments in associates	302	964	19	62
Investment property	12 341	3 732	789	239
Property, plant and equipment (note 4)	389 600	404 880	24 900	25 877
Intangible assets (note 4)	1 013 379	1 023 419	64 767	65 408
Total non-current assets	1 418 892	1 446 666	90 682	92 460
TOTAL ASSETS	1 706 504	1 752 231	109 064	111 988
SHAREHOLDERS EQUITY AND LIABILITIES				
Liabilities				
Current liabilities				
Borrowings (note 5)	176 219	199 013	11 262	12 719
Trade and other payables	281 416	240 703	17 986	15 384
Total current liabilities	457 635	439 716	29 248	28 103
Non-current liabilities				
Borrowings (note 5)	627 811	741 585	40 124	47 396
Other long term liabilities	163	88	10	6
Total non-current liabilities	627 974	741 673	40 134	47 402
Total liabilities	1 085 609	1 181 389	69 382	75 505
Equity				
Capital and reserves attributable to equity holders of the Parent company				
Share capital	189 711	189 711	12 125	12 125
Share premium	183 495	183 495	11 727	11 727
Reserves	10 222	10 222	653	653
Retained earnings	235 508	185 981	15 052	11 886
Currency translation reserve	1 671	480	107	31
Total capital and reserves attributable to equity holders of the Parent company	620 607	569 889	39 664	36 422
Minority interest	288	953	18	61
Total equity	620 895	570 842	39 682	36 483
TOTAL EQUITY AND LIABILITIES	1 706 504	1 752 231	109 064	111 988

The notes presented on pages 21 to 31 form an integral part of the consolidated interim financial information

Consolidated interim income statement (unaudited)

(thousand)	EEK			
	Q IV 2008	Q IV 2007	12 months 2008	12 months 2007
Sales	360 096	365 316	1 323 376	1 149 962
Costs of sales	271 821	275 682	986 268	854 414
Gross profit	88 275	89 634	337 108	295 548
Marketing expenses	20 896	9 716	67 105	48 733
Administrative expenses	40 229	48 562	162 535	133 972
Other income	(41)	5 678	13 793	9 025
Other expenses	943	3 354	6 932	5 469
Operating profit	26 166	33 680	114 329	116 399
Interest income	940	1 561	2 705	6 524
Interest expenses	(16 397)	(14 719)	(57 452)	(24 569)
Currency exchange loss	(963)	94	(1 375)	34
Other financial income	29	2 504	295	3 552
Other financial expenses	(1 315)	(152)	(2 612)	(3 653)
Financial income/expenses total	(17 706)	(10 712)	(58 439)	(18 112)
Share of profit (loss) of associates	(205)	(388)	(627)	996
Profit before income tax	8 255	22 580	55 263	99 283
Income tax expense	2 500	963	5 717	7 174
PROFIT FOR THE YEAR	5 755	21 617	49 546	92 109
Attributable to:				
Equity holders of the Parent company	5 755	21 517	49 527	91 670
Minority interest	0	100	19	439
Basic and diluted earnings per share for profit attributable to the equity holders of the Company	0,30	1,13	2,61	5,00

(thousand)	EUR			
	Q IV 2008	Q IV 2007	12 months 2008	12 months 2007
Sales	23 014	23 348	84 579	73 496
Costs of sales	17 373	17 619	63 034	54 607
Gross profit	5 641	5 729	21 545	18 889
Marketing expenses	1 335	621	4 289	3 115
Administrative expenses	2 571	3 104	10 388	8 562
Other income	(3)	363	882	577
Other expenses	60	214	443	350
Operating profit	1 672	2 153	7 307	7 439
Interest income	60	100	173	417
Interest expenses	(1 048)	(941)	(3 672)	(1 570)
Currency exchange loss	(62)	6	(88)	2
Other financial income	2	160	19	227
Other financial expenses	(84)	(10)	(167)	(233)
Financial income/expenses total	(1 132)	(685)	(3 735)	(1 157)
Share of profit (loss) of associates	(13)	(25)	(40)	64
Profit before income tax	527	1 443	3 532	6 346
Income tax expense	160	62	365	459
PROFIT FOR THE YEAR	367	1 381	3 167	5 887
Attributable to:				
Equity holders of the Parent company	368	1 375	3 166	5 859
Minority interest	0	6	1	28
Basic and diluted earnings per share for profit attributable to the equity holders of the Company	0,02	0,07	0,17	0,32

The notes presented on pages 21 to 31 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	227	265 270
Profit for the year	0	0	0	91 670	0	91 670	439	92 109
Currency translation difference	0	0	0	0	480	480	0	480
Transaction costs	0	(4 721)	4 721	0	0	0	0	0
Net income (expense) recognized in equity	0	(4 721)	4 721	91 670	480	92 150	439	92 589
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	287	287
Balance at 31.12.2007	189 711	178 774	14 943	185 980	480	569 888	953	570 841
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	49 527	0	49 527	19	49 546
Currency translation difference	0	0	0	0	1 191	1 191	0	1 191
Net income (expense) recognized in equity	0	0	0	49 527	1 191	50 718	19	50 737
Change of minority interest	0	0	0	0	0	0	(684)	(684)
Balance at 31.12.2008	189 711	183 495	10 222	235 508	1 671	620 607	288	620 895

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	5 859	0	5 859	28	5 887
Currency translation difference	0	(302)	302	0	0	0	0	0
Transaction costs	0	(302)	302	5 859	31	5 859	28	5 887
Net income (expense) recognized in equity	0	(302)	302	5 859	31	5 859	28	5 887
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	18	18
Balance at 31.12.2007	12 125	11 425	955	11 886	31	36 391	60	36 451
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	3 166	0	3 166	1	3 167
Currency translation difference	0	0	0	0	76	76	0	76
Net income (expense) recognized in equity	0	0	0	3 166	76	3 242	1	3 243
Change of minority interest	0	0	0	0	0	0	(44)	(44)
Balance at 31.12.2008	12 125	11 727	653	15 052	107	39 664	18	39 682

The notes presented on pages 21 to 31 form an integral part of the consolidated interim financial information

Consolidated interim cash flow statement (unaudited)

(thousand)	EEK		EUR	
	12 months 2008	12 months 2007	12 months 2008	12 months 2007
Cash flows from operating activities				
Operating profit for the period	114 329	116 399	7 307	7 439
Adjustments for:				
Depreciation, amortization and impairment of property, plant and equipment and intangibles	61 466	39 814	3 928	2 545
Profit (loss) on sale of property, plant and equipment	289	(4 169)	18	(266)
Changes in working capital:				
Trade and other receivables	1 351	(29 023)	86	(1 855)
Inventories	(194)	(21 304)	(12)	(1 362)
Trade and other payables	7 374	30 929	471	1 977
Cash generated from operations	184 615	132 646	11 799	8 478
Income tax paid	(5 717)	(6 302)	(365)	(403)
Interest paid	(57 468)	(28 735)	0	0
Net cash generated from operating activities	121 430	97 609	7 761	6 238
Cash flows from investing activities				
Investments in business combinations	(445)	(887 645)	(123)	(56 676)
Proceeds from financial assets	7 500	113	96	1
Interest received	1 165	7 166	113	317
Purchase of property, plant and equipment	(41 194)	(57 130)	(1 779)	(2 502)
Proceeds from sale of property, plant and equipment	895	1 294	53	18
Loans granted	(4 182)	(70 828)	(264)	(3 893)
Loan repayments received	236	80 861	7	4 495
Net cash used in investing activities	(36 025)	(926 169)	(1 898)	(58 239)
Cash flows from financing activities				
Share issue	0	219 081	0	14 002
Finance lease payments made	(35 043)	(22 513)	(2 240)	(1 439)
Change in overdraft used	(46 988)	12 852	(3 003)	821
Proceeds from borrowings	42 521	749 568	2 718	47 906
Repayments of borrowings	(68 477)	(112 559)	(4 376)	(7 194)
Net cash generated from financing activities	(107 987)	846 429	(6 902)	54 097
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(22 582)	17 869	(1 443)	1 142
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	46 388	68 970	2 965	4 408

The notes presented on pages 21 to 31 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 19 subsidiaries, 5 joint ventures and 2 associated companies, belonging to the consolidation group as at 31.12.2008.

The consolidated interim financial report was approved by the Management Board on 26 February 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 31 December 2008 for the fourth quarter and twelve months of 2008 reflects the results of the following group companies:

Name	Status	Shareholding 31.12.2008	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
SIA Delfi Holding	Subsidiary	100%	0%	Holding Company	Latvia
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
UAB Ekspress Portals	Subsidiary	100%	0%	Online classified ads	Lithuania
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	0	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
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Note 2 Basis of preparation

This condensed consolidated interim financial information for the fourth quarter and twelve months ended on 31 December 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 fourth quarter and twelve 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 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 Päevalehe AS and OÜ Netikuulutused were merged. On 28 July 2008 OÜ Netikuulutused was deleted from Commercial Register.

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 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).

On 1 October 2008 AS Numbriinfo merged with AS Ekspresskataloogid.

On 15 November 2008 UAB Ekspress Portals, a subsidiary of AS Ekspress Grupp was established in Latvia with a share capital of 46 thousand EEK (3 thousand EUR).

On 23 December 2008 SIA Delfi Holding, a subsidiary of AS Ekspress Grupp was established in Latvia with a share capital of 44 thousand EEK (3 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	
	12 months 2008	12 months 2007	12 months 2008	12 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	33 386	138 715	10 605	14 496
Disposals (at book value)	(674)	(1 866)	(177)	(3)
Write-offs	(198)	(65)	0	(176)
Reclassification	(6 517)	78	90	(12)
Acquired through business combinations	0	10 339	0	878 725
Disposals through business combination	(108)	0	(605)	0
Depreciation and impairment	(41 139)	(31 531)	(19 936)	(7 891)
Valuutakursi correction	(30)	0	(16)	0
Balance at the end of period				
Acquisition cost	566 315	546 438	1 058 215	1 048 728
Accumulated depreciation	(176 715)	(141 558)	(44 836)	(25 309)
Book value	389 600	404 880	1 013 379	1 023 419

th EUR	Property, plant and equipment		Intangible assets	
	12 months 2008	12 months 2007	12 months 2008	12 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	2 134	8 866	678	926
Disposals (at book value)	(43)	(119)	(11)	0
Write-offs	(13)	(4)	0	(11)
Reclassification	(417)	5	6	(1)
Acquired through business combinations				
Disposals through business combination	(7)	0	(39)	0
Depreciation and impairment	(2 629)	(2 015)	(1 274)	(504)
Currency correction	(2)	0	(1)	0
Balance at the end of period				
Acquisition cost	36 194	34 924	67 632	67 026
Accumulated depreciation	(11 294)	(9 047)	(2 866)	(1 618)
Book value	24 900	25 877	64 767	65 408

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 31.12.2008					
Bank overdraft	32 072	32 072	0	0	6,00%
Long-term bank loans	632 166	107 828	514 732	9 606	6,74%
Finance lease (note 21)	139 792	36 319	87 948	15 525	5,51%
Total	804 030	176 219	602 680	25 131	

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 31.12.2008					
Bank overdraft	2 050	2 050	0	0	6,00%
Long-term bank loans	40 402	6 891	32 897	614	6,74%
Finance lease (note 21)	8 934	2 321	5 621	992	5,69%
Total	51 386	11 262	38 518	1 606	

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 3 December 2008 the loan liability constitutes EEK 574.1 million (EUR 36.7 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 31.12.2008: EEK 74 885 thousand (EUR 4 786 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 31.12.2008: EEK 58 101 thousand (EUR 3 713 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	
	31.12.2008	31.12.2007	12 months 2008	12 months 2007
Online media	197	168	190	180
Periodicals	1622	1645	1648	1658
Printing services	211	199	212	195
Book sales	134	87	94	78
Information services	221	186	224	157
Unallocated	8	7	7	6
Total	2393	2292	2375	2274

Revenue by segment

(thousand)	EEK		EUR		Change%
	Q IV 2008	Q IV 2007	Q IV 2008	Q IV 2007	
Online media	41 677	41 721	2 664	2 666	0%
Periodicals	143 603	160 370	9 178	10 250	-10%
Printing services	116 057	106 854	7 417	6 829	9%
Book sales	69 525	64 260	4 443	4 107	8%
Information services	15 912	16 305	1 017	1 042	-2%
Unallocated	697	713	45	46	-2%
Inter-segment sales	(27 375)	(24 907)	(1 750)	(1 592)	10%
Sales to external customers	360 096	365 316	23 014	23 348	-1%

EBITDA by segment

(thousand)	EEK		EUR		Change%
	Q IV 2008	Q IV 2007	Q IV 2008	Q IV 2007	
Online media	3 430	12 725	219	813	-73%
Periodicals	14 039	16 066	897	1 027	-13%
Printing services	23 710	18 088	1 515	1 156	31%
Book sales	4 235	4 225	271	270	0%
Information services	(3 524)	(236)	(225)	(15)	-
Unallocated	(2 498)	(3 518)	(160)	(225)	-
Eliminations	790	562	50	36	-
EBITDA total	40 182	47 912	2 568	3 062	-16%

Revenue by segment

(thousand)	EEK		EUR		Change%
	12 months 2008	12 months 2007	12 months 2008	12 months 2007	
Online media	163 999	58 470	10 481	3 737	180%
Periodicals	553 392	530 960	35 368	33 935	4%
Printing services	422 997	385 787	27 034	24 656	10%
Book sales	207 790	187 800	13 280	12 003	11%
Information services	70 660	66 350	4 516	4 241	6%
Unallocated	2 552	2 009	163	128	27%
Inter-segment sales	(98 014)	(81 414)	(6 264)	(5 203)	20%
Sales to external customers	1 323 376	1 149 962	84 579	73 496	15%

EBITDA by segment

(thousand)	EEK		EUR		Change%
	12 months 2008	12 months 2007	12 months 2008	12 months 2007	
Online media	28 531	19 417	1 823	1 241	47%
Periodicals	59 003	60 673	3 771	3 878	-3%
Printing services	91 816	69 924	5 868	4 469	31%
Book sales	8 032	8 650	513	553	-7%
Information services	861	8 770	55	561	-90%
Unallocated	(9 745)	(9 963)	(623)	(637)	-
Eliminations	(2 703)	(1 259)	(173)	(80)	-
EBITDA total	175 795	156 212	11 235	9 984	13%

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

th EEK	31.12.2008	31.12.2007
Share premium	183 495	183 495
Statutory legal reserve	222	222
Other reserves	10 000	10 000
Additional payments in cash from shareholders	10 000	10 000

th EUR	31.12.2008	31.12.2007
Share premium	11 727	11 727
Statutory legal reserve	14	14
Other reserves	639	639
Additional payments in cash from shareholders	639	639

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 31.12.2008 and 31.12.2007 diluted earnings per share equal basic earnings per share.

	EEK		EEK	
	Q IV 2008	Q IV 2007	12 months 2008	12 months 2007
Profit attributable to equity holders of the Parent Company	5 754 615	21 516 755	49 527 198	91 670 468
The average number of ordinary shares	18 971 081	18 971 081	18 971 081	18 333 961
Basic and diluted earnings per share	0,30	1,13	2,61	5,00

	EUR		EUR	
	Q IV 2008	Q IV 2007	12 months 2008	12 months 2007
Profit attributable to equity holders of the Parent Company	367 787	1 375 171	3 165 365	5 858 811
The average number of ordinary shares	18 971 081	18 971 081	18 971 081	18 333 961
Basic and diluted earnings per share	0,02	0,07	0,17	0,32

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) .

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.

The special general meeting of shareholders held on 12 December 2008 decided to increase the share capital of the Company for EEK 18 777 600 (EUR 1 200 107) with supplementary contributions by issuing 1 877 760 new shares with the par value of 10 kroons (0.63 euros) per share. The new shares shall be issued with an issue premium with the amount of 5 kroons (0.32 euros) per share. For one share in total 15 kroons (0.96 euros) shall be paid. The new amount of the share capital shall be 208 488 410 kroons (13 324 838 euros). The maturity date of the subscription and payment for new shares shall be 12 January 2009.

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	
	2008	2007	2008	2007
Sale of fixed assets				
members of supervisory boards and companies related to them	0	5 885	0	376
Sale of goods				
associated companies	26 315	28 584	1 682	1 827
members of supervisory boards and companies related to them	0	463	0	30
Total sale of goods	26 315	29 047	1 682	1 857
Sale of services				
members of executive boards and companies related to them	3	2	0	0
members of supervisory boards and companies related to them	399	514	26	33
associated companies	10 136	11 034	648	705
Total sale of services	10 538	11 550	674	738
Sale total	36 853	46 482	2 356	2 971

Purchases

(thousand)	EEK		EUR	
	2008	2007	2008	2007
Sale of goods				
associated companies	0	1 086	0	69
Purchase of services				
members of executive boards and companies related to them	773	752	49	48
members of supervisory boards and companies related to them	9 601	5 624	614	359
associated companies	69	35	4	2
Total purchase of services	10 443	6 411	667	409
Purchase total	10 443	7 497	667	478

Receivables

(thousand)	EEK		EUR	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Short-term receivables				
members of executive boards and companies related to them	0	1	0	0
members of supervisory boards and companies related to them	3 145	8 171	201	522
associated companies	5 950	5 694	380	364
Total short-term receivables	9 095	13 866	581	886
Long-term receivables				
members of supervisory boards and companies related to them	1 550	5 439	99	348
Total long-term receivables	1 550	5 439	99	348
Total receivables	10 645	19 305	680	1 234

Liabilities

(thousand)	EEK		EUR	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Short-term payables				
members of executive boards and companies related to them	11	72	1	5
members of supervisory boards and companies related to them	42 512	442	2 717	28
associated companies	0	4	0	0
Liabilities total	42 523	518	2 718	33

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 7 members.

Key management and supervisory board remuneration

(thousand)	EEK		EUR	
	12 months 2008	12 months 2007	12 months 2008	12 months 2007
Salaries and other short-term employee benefits (paid)	19 003	14 291	1 215	913
Total	19 003	14 291	1 215	913

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 5 997 th EEK (383 th EUR) and 2007 was 5 132 th EEK (328 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

As decided at the special general meeting of shareholders held on 12 December 2008 the maturity date for the subscription and payment of the new shares for the share increase was 12 January 2009. The AS Ekspress Grupp share issue of the 1 877 760 shares with the subscription price of 15 kroons (0.96 euros) per share was precisely subscribed at term.

Subscribers were:

HHL Rühm with 1 393 575 shares

ING Luxembourg with 432 025 shares

SEB with 52160 shares

The subscribed shares were transferred to the securities accounts of the subscribers as of 31 January 2009. The share capital of Ekspress Grupp increased from 189 710 810 kroons (12 124 731 euros) to 208 488 410 kroons (13 324 838 euros).