



AS EKSPRESS GRUPP
CONSOLIDATED INTERIM REPORT
FOR THE FIRST QUARTER OF
2010

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GENERAL INFORMATION

Beginning of the financial year	1 January 2010
End of the financial year	31 March 2010
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	Gunnar Kobin
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.

Gunnar Kobin	Chairman of the Management Board	signed digitally	11.05.2010
Erle Oolup	Member of the Management Board	signed digitally	11.05.2010
Andre Veskimeister	Member of the Management Board	signed digitally	11.05.2010

MANAGEMENT REPORT

The following report presents the financial results of Ekspress Grupp for the 1st quarter of 2010, related market developments and management decisions

Selected financial indicators

Financial indicators (thousand)	EEK		EUR		Change %
	Q I 2010	Q I 2009	Q I 2010	Q I 2009	
Accounting period					
Sales	183 069	207 130	11 700	13 238	-11.6%
Gross profit	32 912	34 458	2 103	2 202	-4.5%
EBITDA	17 851	6 762	1 141	432	164.1%
Operating profit	4 820	(6 780)	308	(433)	171.2%
Net profit (loss) for the period	(11 847)	(17 593)	(757)	(1 124)	32.9%
	<u>31.03.2010</u>	<u>31.03.2009</u>	<u>31.03.2010</u>	<u>31.03.2009</u>	
Total current assets	217 932	248 608	13 928	15 889	-12.3%
Total non-current assets	1 141 255	1 409 777	72 939	90 101	-19.1%
Total assets	1 359 187	1 658 385	86 868	105 990	-18.0%
Total short-term liabilities	335 705	406 905	21 455	26 006	-17.5%
Total long-term liabilities	588 305	630 116	37 600	40 272	-6.6%
Total liabilities	924 010	1 037 021	59 055	66 278	-10.9%
Total equity	435 177	621 364	27 813	39 712	-30.0%

Performance indicators (%)		Q I 2010	Q I 2009	
Sales growth (%)	$(\text{sales IHY 2010} - \text{sales IHY 2009}) / \text{sales IHY 2009} * 100$	-12%	-20%	
Gross profit margin (%)	$\text{gross profit} / \text{sales} * 100$	18%	17%	
Net profit margin (%)	$\text{net profit} / \text{sales} * 100$	-6%	-8%	
Equity ratio (%)	$\text{equity} / (\text{equity} + \text{debt}) * 100$	32%	37%	
ROA (%)	$\text{net profit} / \text{assets} * 100$	-1%	-1%	
ROE (%)	$\text{net profit} / \text{equity} * 100$	-3%	-3%	
EBITDA margin (%)	$\text{EBITDA} / \text{sales} * 100$	10%	3%	
Operating profit margin (%)	$\text{operating profit} / \text{sales} * 100$	3%	-3%	
Liquidity ratio	$\text{current assets} / \text{current liabilities}$	65%	61%	
Debt equity ratio (%)	$\text{interest bearing liabilities} / \text{equity} * 100$	166%	133%	
Financial leverage (%)	$\text{interest bearing liabilities} - \text{cash and cash equivalents} / \text{interest bearing liabilities} + \text{equity} * 100$	58%	54%	
Earnings per share	net profit/average number of shares	EEK	(0,57)	(0,85)
		EUR	(0,04)	(0,05)

Revenue and EBITDA by group companies*

(thousand) EEK	Revenue			EBITDA		
	Q I 2010	Q I 2009	Change %	Q I 2010	Q I 2009	Change %
Eesti Ajalehed AS***	27 962	32 764	-14.7%	7 003	(2 571)	372.4%
Delfi consolidated	24 381	25 188	-3.2%	(1 310)	(1 415)	7.4%
AS Printall	86 849	87 944	-1.2%	18 976	14 047	35.1%
UAB Ekspress Leidyba	10 618	87 944	-87.9%	(1 247)	(1 077)	-15.8%
Eesti Päevalehe AS**	22 444	35 846	-37.4%	(5 912)	(30)	-19606.7%
AS SL Õhtuleht**	26 554	31 350	-15.3%	1 518	3 326	-54.4%
AS Express Post**	19 158	19 724	-2.9%	2 532	1 346	88.1%
AS Ajakirjade Kirjastus**	31 806	39 478	-19.4%	232	(2 022)	111.5%
AS Linnaleht	2 848	4 171	-31.7%	(666)	(1 026)	35.1%
UAB Medipresa	32 042	36 411	-12.0%	(82)	175	-146.9%

*with intergroup transactions

**joint ventures 100%

***AS Maaleht operations were transferred to Eesti Ajalehed AS 2009 year

(trousand) EUR	Revenue			EBITDA		
	Q I 2010	Q I 2009	Change %	Q I 2010	Q I 2009	Change %
Eesti Ajalehed AS***	1 787	2 094	-14.7%	448	(164)	372.4%
Delfi consolidated	1 558	1 610	-3.2%	(84)	(90)	7.4%
AS Printall	5 551	5 621	-1.2%	1 213	898	35.1%
UAB Ekspress Leidyba	679	5 621	-87.9%	(80)	(69)	-15.8%
Eesti Päevalehe AS**	1 434	2 291	-37.4%	(378)	(2)	-19606.7%
AS SL Õhtuleht**	1 697	2 004	-15.3%	97	213	-54.4%
AS Express Post**	1 224	1 261	-2.9%	162	86	88.1%
AS Ajakirjade Kirjastus**	2 033	2 523	-19.4%	15	(129)	111.5%
AS Linnaleht	182	267	-31.7%	(43)	(66)	35.1%
UAB Medipresa	2 048	2 327	-12.0%	(5)	11	-146.9%

*with intergroup transactions

**joint ventures 100%

***AS Maaleht operations were transferred to Eesti Ajalehed AS 2009 year

Despite a sales decline as compared to the same period in the previous year, the Company's EBITDA totalled EEK 18 million (EUR 1.1 million), which is 164% higher than a year ago. Normalised EBITDA (exclusive of the extraordinary sales revenue of Rahva Raamat) amounted to EEK 11.5 million (EUR 0.7 million), which is 76% higher than a year ago.

Cost-cutting has contributed the most to the achievement of this result. The level of staff costs as compared to the same period of the previous year has dropped by 17% in comparable companies, fixed costs have also decreased.

The change in sales has been drastic as compared to the previous year, but the difference from the previous period has declined from month to month. In the first quarter, the consolidated advertising sales have dropped by 12%, the retail sales by 28%, the sales of subscriptions by 11%. In the segment of periodicals, the sales as a whole have declined by 22%, in the online media segment by 6%. Growth in the sales of consolidated printing services has been moderate as compared to the previous year.

At the level of companies, Delfi Group has achieved EBITDA that is comparable to the previous year, being 7% better. Largest growth of 187% occurred in Delfi Estonia. Due to the continuously challenging economic environment, Delfi Latvia has not reached the result of the previous year. The

result of Delfi Lithuania is partially influenced by one-off costs related to the 10th anniversary celebrations of the company. The costs of Delfi Ukraine have increased mainly due to internal accounting where the general costs of the whole group are shared with the Ukrainian company from this year.

Of the periodicals, Eesti Ekspress and Eesti Ajalehed, the publisher of Maaleht, have earned better normalised EBITDA (exclusive of the sale of Rahva Raamat) as compared to the previous year, with growth of 126%. Although Õhtuleht as a company earned EBITDA of EEK 1.5 million (EUR 0,1 million), it is 54% less than the result in the previous year. The main reason for this is a weak advertising market, but Õhtuleht still represents one of the most profitable newspapers in Estonia. The EBITDA of Ajakirjade Kirjastus has improved by 111% as compared to the previous year mainly as a result of reduced costs and closed unprofitable magazines. In the first quarter, the publisher of magazines in Lithuania has earned a loss of EEK 1.2 million (EUR 0.1 million), which is 16% worse than in the previous year. Of the periodicals, the largest loss of EEK 5.9 million (EUR 0.4 million) was incurred by Eesti Päevaleht, but a major share of this loss is related to the launching cost of a new book series and a shift of income to the next quarter.

The result of the Group has been significantly influenced by the printing company Printall that earned EBITDA of EEK 19.0 million (EUR 1.2 million) in the first quarter. It is the best result ever for Printall in the first quarter, the profit has increased by 35% as compared to the previous year. Growth of export income contributes the most to the result, the company has vigorously expanded its client portfolio in Scandinavia and Western Europe. Exports to Northern and Western European countries increased by 21% as compared to the same period of 2009 and by 54% as compared to the first quarter of 2008, contributing 50% to total sales revenue. In the fourth quarter of 2009, the corresponding percentage was 44%. In the first quarter, the share of total exports was 63% of the total sales revenue. This percentage was 60% in the fourth quarter of 2009.

The Estonian local printing market continues to be modest and is under serious price pressure. Printall has also successfully managed to reduce various fixed costs.

In the first quarter, the most important events of everyday economic activities were:

- on 9 February 2010, the Company sold its book trade company Rahva Raamat. The transaction price was EEK 33.0 million (EUR 2.1 million) and the accounting profit was EEK 6.3 million (EUR 0.4 million)
- on 25 February 2010, the Company completed the sales transaction of Ekspress Hotline.
- Restructuring of the product of Eesti Ekspress. A new type of weekly newspaper similar to a magazine was introduced to the market, which has been well received by the consumers. During the restructuring of the product, the production costs of the Company will decline and efficiency will increase. The renewed product has also been well received by the advertising customers.
- Eesti Ekspress started to sell online articles that are based on a convenient payment option. This represents the first opportunity in Estonia where clients can read full versions of newspaper articles online at the day they are published, using their mobile phones for payment. Currently, the articles cost EEK 1 and in the first weeks, the clients have been able to buy 4-5 articles on average using this payment option. In the long-term, all full versions of articles can be accessed for reading for a fee.
- Eesti Päevaleht launched a new book series Eesti Mälu (Memory of Estonia) and EPL online with new contents and a design launched commenting using ID cards.
- Delfi launched the section Rahva Hää (Voice of People) based on the people's press. The goal of the section is to provide an opportunity for the users of Delfi to publish their photos or articles of the events that have caught their attention. The new section has rapidly become widely used and Delfi has managed to be the first media channel in Estonia to publish several original news stories.

- Several additional contents sections have been added to Delfi Ukraine portal with the goal of increasing the volume of information to be published. The sales organisation has also been strengthened in Ukraine with the goal of actively launching advertising sales.

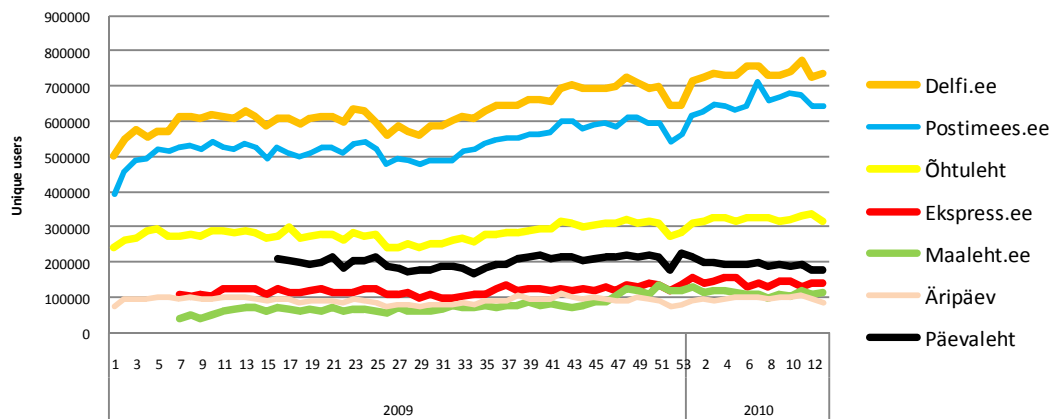
- Lithuania's Delfi won the portal project of the European Parliament to be funded by the EU.

In the 2nd quarter, the Company expects growth from online media advertising sales, stabilisation of advertising sales of periodicals at the level close to that of the previous year and continued successful expansion of the printing company in export markets.

Online media segment

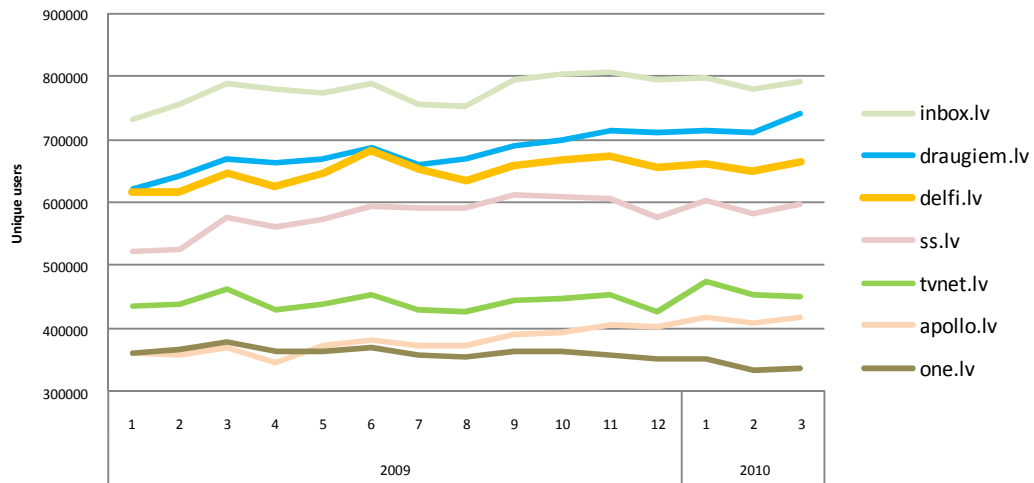
In the 1st quarter, the number of visitors of Delfi Group increased in all markets. Delfi Ukraine experienced the largest growth – the number of visitors increased by more than 12 times as compared to the same period of 2009.

Estonia online market



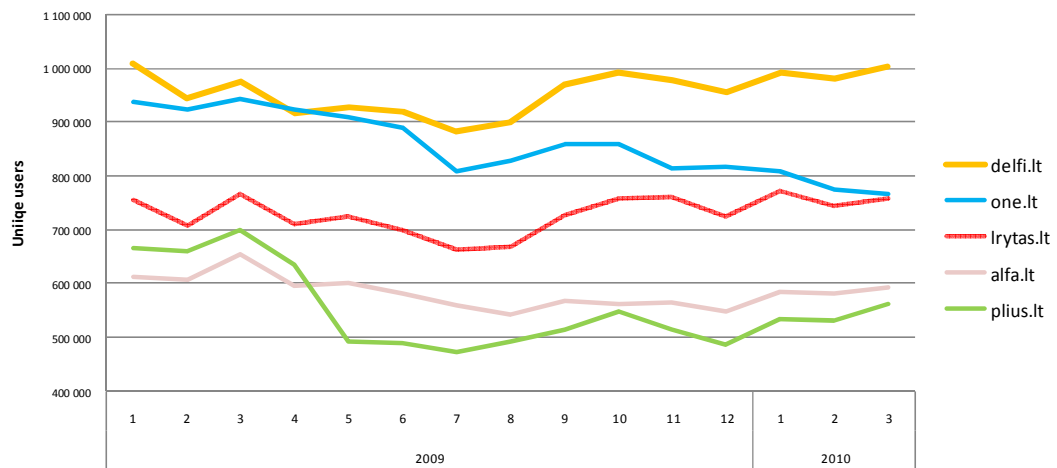
In Estonia, Delfi is the most visited web site. In the 1st quarter, the number of unique users was 26% higher as compared to the same period of 2009. By the end of the 1st quarter, Delfi had 736 628 monthly unique users in Estonia.

Latvia online market

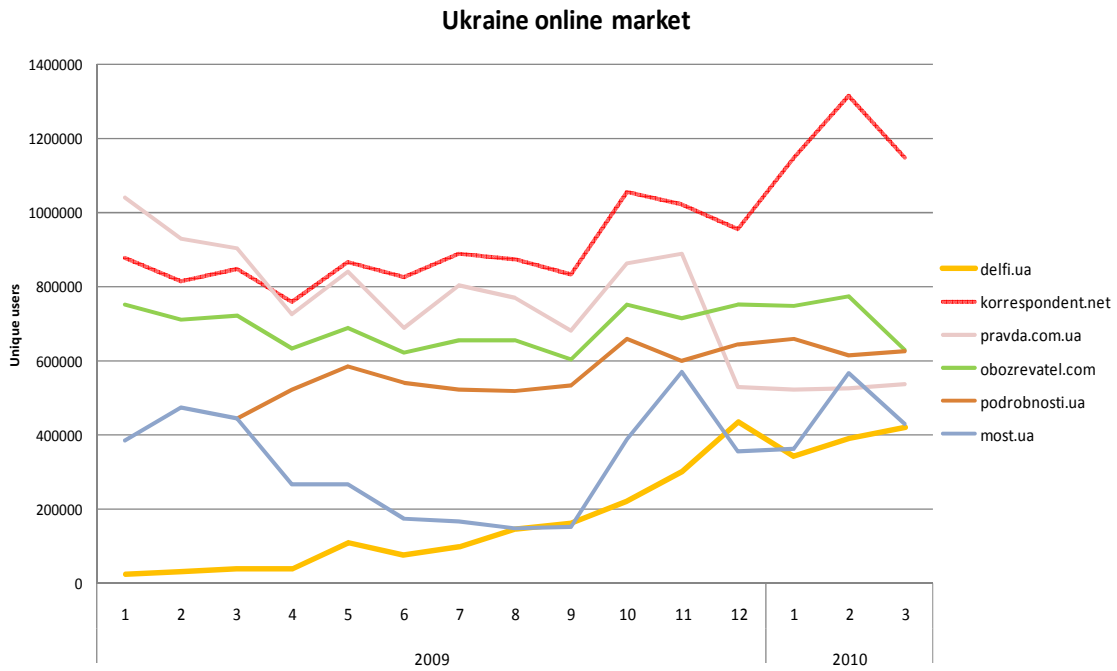


In Latvia, Delfi is the third largest web site by the number of visitors but the largest newsportal. In the 1st quarter, the number of unique users increased by 5% as compared to the same period of 2009. By the end of the 1st quarter, Delfi had 665 600 monthly unique users in Latvia.

Lithuania online market



In Lithuania, Delfi is the most visited web site. In the 1st quarter, there was a further increase by 2% as compared to the same period of 2009 and the total number of visitors reached 1 003 791 monthly unique users.

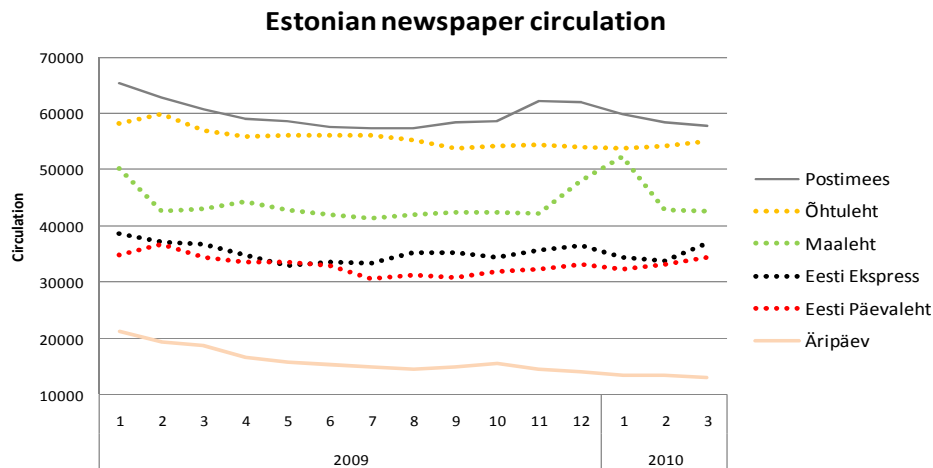


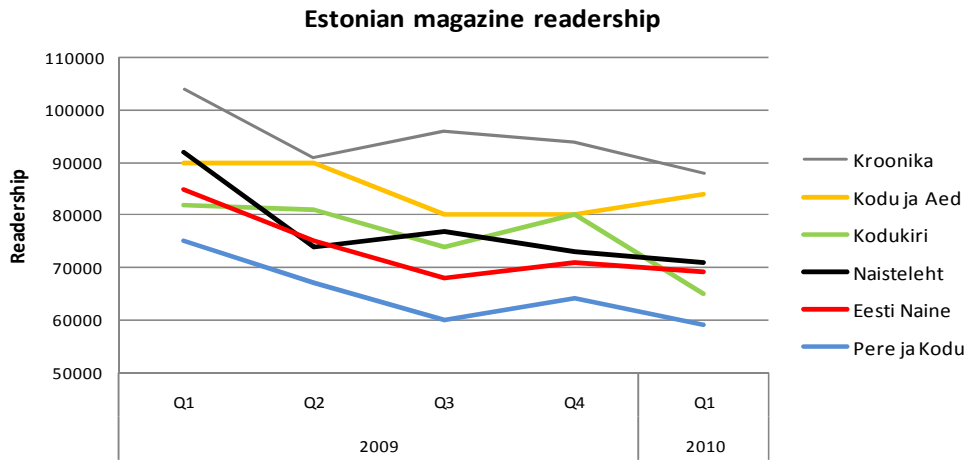
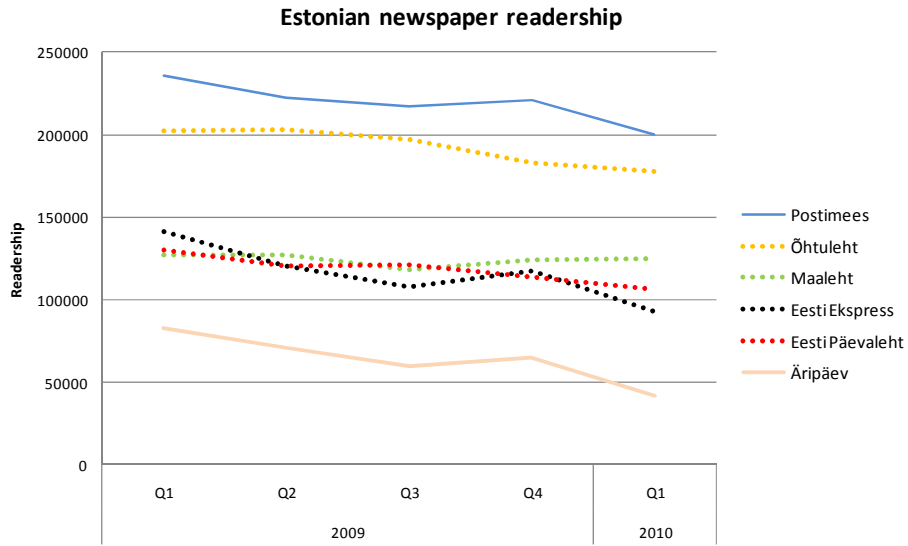
In Ukraine, the number of unique users increased in the 1st quarter by more than 12 times as compared to the same period of 2009. In March 2010, the number of visitors reached 420 525 monthly unique users. The growth of the Ukraine online market continues foremost due to creation of new internet connections and the market will be one of the fastest growing markets in the coming years.

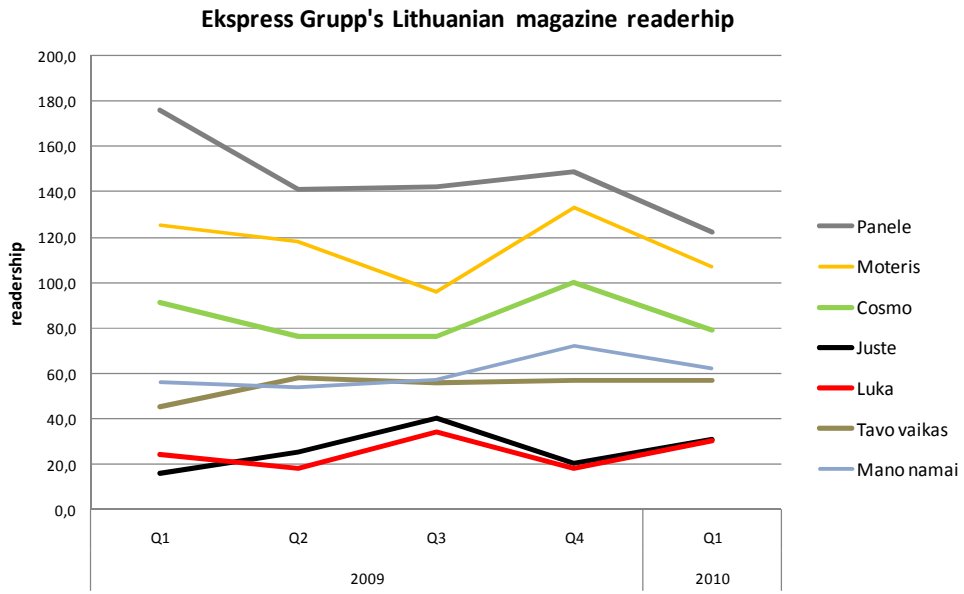
Publishing segment

The publishing segment includes newspaper and magazine publishing of Eesti Päevalehe AS, Eesti Ajalehed AS (Maaleht and Eesti Ekspress), AS SL Õhtuleht, AS Linnaleht, UAB Ekspress Leidyba and AS Ajakirjade Kirjastus.

All newspaper and magazine publishing units (except AS Linnaleht) of AS Ekspress Grupp also publish books.







Investments

Acquisition of fixed assets

(thousand)	EEK		EUR	
	Q I 2010	Q I 2009	Q I 2010	Q I 2009
Acquisition of property, plant and equipment				
Buildings	0	83	0	5
Plant and equipment	154	769	10	49
Other equipment	919	1627	59	104
Unfinished buildings and prepayments	0	1113	0	71
Acquisition of property, plant and equipment total	1073	3592	69	229
Acquisition of intangible assets				
Development	548	1042	35	67
Computer software	420	605	27	56
Prepayments	330	4	21	(17)
Acquisition of intangible assets total	1298	1651	83	106
Acquisition of fixed assets total	2371	5243	152	335

All investments in the 1st quarter were ordinary, in order to improve the assets used in business activity at bare minimum extent.

Employees

As of the end of March 2010 Ekspress Group employed 1 796 people (As of 31 March 2009 (includes employees of discontinued operations): 2 270). The average number of employees in the 1st quarter of 2010 was 1 787 (Q I 2009 includes employees of discontinued operations: 2 282).

In the 1st quarter of 2010, the personnel costs of Ekspress Grupp totalled EEK 57,7 million (EUR 3,7 million), (Q I 2009 with the personnel cost of discontinued operations EEK 75.8 million (EUR 4.8 million))*.

*proportional part from joint ventures

Shares and shareholders of Ekspress Grupp

The share capital of the public limited company is EEK 208 488 410 (EUR 13 324 738) which consists of the shares with the nominal value of EEK 10 (EUR 0.6). All shares are of one type and there are no ownership restrictions.

The articles of association of the public limited company set no restrictions for 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 for 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 Grupp as of 31 March 2010:

- Hans Luik who controls 14 243 812 shares which makes up 68.32% of the share capital of the public limited company.
- ING Luxembourg S.A whose customers hold 2 083 159 shares which makes up 9.99% of the share capital of the public limited company.

The information provided in the table is calculated on the basis of shareholdings as of 31.03.2010

Name	Number of shares	%
ING Luxembourg S.A.	2 083 159	9.99%
Members of Management and Supervisory Boards and their immediate family members		
Hans Luik	10 766 800	51.64%
Hans Luik, OÜ HHL Rühm	3 470 036	16.64%
Hans Luik , OÜ Minigert	6 900	0.03%
Hans Luik, Selle Luik	76	0.00%
Gunnar Kobin, OÜ Griffen SVP	240 385	1.15%
Viktor Mahhov, OÜ Flexinger	33 910	0.16%
Ville Jehe, OÜ Octoberfirst	55 656	0.27%
Aavo Kokk, OÜ Synd & Katts	400	0.00%
Other minority shareholders	4 191 519	20.10%
Total	20 848 841	100.00%

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.

The share price in Estonian kroons and trading statistics on OMX Tallinn Stock Exchange from 1 January to 31 March 2010.



The share price in Estonian kroons and trading statistics on OMX Tallinn Stock Exchange from 1 January to 31 March 2009.



Security trading history

Price	2010		2009	
	EEK	EUR	EEK	EUR
Open	16.12	1.03	12.20	0.78
High	23.16	1.48	13.93	0.89
Low	14.86	0.95	6.10	0.39
Traded volume (shares)	851 106	851 106	810 077	810 077
Turnover, million	15.60	1.00	8.23	0.53
Capitalisation, million	339.26	21.68	181.07	11.57

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 Grupp for the 1st quarter of 2010 as presented on pages 17 - 35.

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.

Gunnar Kobin	Chairman of the Management Board	signed digitally	11.05.2010
Erle Oolup	Member of the Management Board	signed digitally	11.05.2010
Andre Veskimeister	Member of the Management Board	signed digitally	11.05.2010

Consolidated statement of financial position (unaudited)

(thousand)	EEK			EUR		
	31.03.2010	31.12.2009	31.03.2009	31.03.2010	31.12.2009	31.03.2009
ASSETS						
Current assets						
Cash and cash equivalents	23 589	39 953	29 216	1 508	2 553	1 867
Other financial assets at fair value through profit or loss	29 056	892	4 472	1 857	57	286
Trade and other receivables	122 563	120 136	152 084	7 834	7 677	9 719
Inventories	42 724	55 160	62 836	2 731	3 525	4 016
Total current assets	217 932	216 141	248 608	13 930	13 812	15 888
Assets of discontinued operations	0	93 457	0	0	5 973	0
Non-current assets						
Trade and other receivables	5 483	5 697	4 255	348	364	273
Investments in associates	371	640	354	24	41	23
Investment property	6 360	6 360	12 341	406	406	789
Property, plant and equipment (Note 4)	321 768	345 938	382 732	20 565	22 109	24 461
Intangible assets (Note 4)	807 273	821 613	1 010 095	51 594	52 511	64 557
Total non-current assets	1 141 255	1 180 248	1 409 777	72 937	75 431	90 103
TOTAL ASSETS	1 359 187	1 489 846	1 658 385	86 867	95 216	105 991
SHAREHOLDERS EQUITY AND LIABILITIES						
Liabilities						
Current liabilities						
Borrowings (Note 5)	109 795	143 093	167 440	7 017	9 145	10 701
Trade and other payables	225 910	283 668	239 465	14 438	18 130	15 305
Total current liabilities	335 705	426 761	406 905	21 455	27 275	26 006
Liabilities of discontinued operations	0	17 231	0	0	1 101	0
Non-current liabilities						
Borrowings (Note 5)	574 131	583 047	620 236	36 694	37 263	39 640
Other long term liabilities	181	28	325	12	2	21
Derivative instruments	13 993	13 993	9 555	894	894	611
Total non-current liabilities	588 305	597 068	630 116	37 600	38 159	40 272
Total liabilities	924 010	1 041 060	1 037 021	59 055	66 535	66 278
Equity						
Capital and reserves attributable to equity holders of the Parent company						
Share capital	208 488	208 488	208 488	13 325	13 325	13 325
Share premium	192 883	192 883	192 883	12 327	12 327	12 327
Reserves	(313)	(313)	4 125	(20)	-20	264
Retained earnings	33 958	45 805	214 304	2 170	2 927	13 697
Currency translation reserve	(127)	1 635	1 276	-8	104	82
Total capital and reserves attributable to equity holders of the Parent company	434 889	448 498	621 076	27 794	28 663	39 695
Minority interest	288	288	288	18	18	18
Total equity	435 177	448 786	621 364	27 812	28 681	39 713
TOTAL EQUITY AND LIABILITIES	1 359 187	1 489 846	1 658 385	86 867	95 216	105 991

The notes presented on pages 21 to 35 form an integral part of the consolidated interim financial statements

Consolidated interim statement of comprehensive income (unaudited)

(thousand)	EEK		EUR	
	Q I 2010	Q I 2009	Q I 2010	Q I 2009
Sales	183 069	207 130	11 700	13 238
Costs of sales	150 157	172 672	9 597	11 036
Gross profit	32 912	34 458	2 103	2 202
Marketing expenses	8 429	10 920	539	698
Administrative expenses	26 586	30 231	1 699	1 932
Other income	7 237	944	464	60
Other expenses	314	1 031	20	66
Operating profit (loss)	4 820	(6 780)	309	(434)
Interest income	173	633	11	40
Interest expenses	(9 646)	(10 835)	(616)	(692)
Currency exchange profit (loss)	453	144	29	9
Other financial income	0	119	0	8
Other financial expenses	(362)	(276)	(23)	(18)
Financial income (expense) total	(9 382)	(10 215)	(599)	(653)
Share of profit (loss) of associates	(826)	133	(53)	9
Profit (loss) before income tax	(5 388)	(16 862)	(343)	(1 078)
Income tax expense	5 796	386	370	25
Profit (loss) for the year from continued operations	(11 184)	(17 248)	(713)	(1 103)
Profit (loss) for the year from discontinued operations	(663)	(345)	(42)	(22)
Profit (loss) for the year	(11 847)	(17 593)	(755)	(1 125)
Attributable to:				
Equity holders of the Parent company	(11 847)	(17 593)	(755)	(1 125)
Other comprehensive income				
Currency translation differences	(1 762)	(77)	(113)	(5)
Total comprehensive income (expense)	(13 609)	(17 670)	(826)	(1 108)
Comprehensive income attributable to:				
Equity holders of the Parent company	(13 609)	(17 670)	(826)	(1 108)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (Note 9)	(0.57)	(0.85)	(0.04)	(0.05)

The notes presented on pages 21 to 35 form an integral part of the consolidated interim financial statements

Consolidated interim statement of changes in equity (unaudited)

EEK (thousand)	Attributable to equity holders of the parent company						Minority interest	Total equity
	Share capital	Share premium	Reserves	Retained earnings	Currency translation reserve	Total		
Balance on 31.12.2008	189 710	183 494	4 125	231 897	1 353	610 579	288	610 867
Comprehensive income	0	0	0	(17 593)	(77)	(17 670)	0	(17 670)
Share capital increase	18 778	9 389	0	0	0	28 167	0	28 167
Balance on 31.03.2009	208 488	192 883	4 125	214 304	1 276	621 076	288	621 364
Balance on 31.12.2009	208 488	192 883	(313)	45 805	1 635	448 498	288	448 786
Comprehensive income	0	0	0	(11 847)	(1 762)	(13 609)	0	(13 609)
Balance on 31.03.2010	208 488	192 883	(313)	33 958	(127)	434 889	288	435 177

EEK (thousand)	Attributable to equity holders of the parent company						Minority interest	Total equity
	Share capital	Share premium	Reserves	Retained earnings	Currency translation reserve	Total		
Balance on 31.12.2008	12 125	11 727	264	14 821	86	39 023	18	39 041
Comprehensive income	0	0	0	(1 124)	(5)	(1 129)	0	(1 129)
Share capital increase	1 200	600	0	0	0	1 800	0	1 800
Balance on 31.03.2009	13 325	12 327	264	13 697	81	39 694	18	39 712
Balance on 31.12.2009	13 325	12 327	(20)	2 927	104	28 663	18	28 681
Comprehensive income	0	0	0	(757)	(112)	(869)	0	(869)
Balance on 31.03.2010	13 325	12 327	(20)	2 170	(8)	27 794	18	27 812

The notes presented on pages 21 to 35 form an integral part of the consolidated interim financial statements

Consolidated interim cash flow statement (unaudited)

(thousand)	EEK		EUR	
	I Q 2010	I Q 2009	I Q 2010	I Q 2009
Cash flows from operating activities				
Operating profit(loss) for the period	4 820	(6 780)	309	(434)
Adjustments for:				
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	13 040	13 542	833	865
Profit (loss) on sale of property, plant and equipment	18	(184)	1	(12)
Changes in working capital:			0	0
Trade and other receivables	655	13 264	41	849
Inventories	(1 614)	(42)	(103)	(3)
Trade and other payables	(56 877)	(3 671)	(3 635)	(235)
Cash generated from operations	(39 958)	16 129	(2 554)	1 031
Income tax paid	(5 796)	(386)	(370)	(25)
Interest paid	(9 646)	(10 835)	(616)	(692)
Net cash generated from operating activities	(55 400)	4 908	(3 541)	314
Net cash generated from operating activities from discontinued operations	(16 718)	(9 272)	(1 068)	(593)
Cash flows from investing activities				
Proceeds from financial assets	62 266	0	3 980	0
Interest received	173	633	11	40
Purchase of property, plant and equipment	(2 370)	(3 705)	(151)	(237)
Proceeds from sale of property, plant and equipment	2 739	337	175	22
Loans granted	(2)	(2 697)	(0)	(172)
Loan repayments received	25	3 539	2	226
Net cash used in investing activities	62 831	(1 893)	4 016	(121)
Net cash used in/generated from investing activities from discontinued operations	32 851	(1 032)	2 100	(66)
Cash flows from financing activities				
Share issue	0	28 166	0	1 800
Finance lease payments made	(5 963)	(8 744)	(381)	(559)
Change in overdraft used	152	8 134	10	520
Proceeds from borrowings	1 900	0	121	0
Repayments of borrowings	(35 941)	(37 126)	(2 297)	(2 373)
Net cash generated from financing activities	(39 852)	(9 570)	(2 547)	(612)
Net cash used in/generated from financing activities from discontinued operations	(76)	(313)	(5)	(20)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(16 364)	(17 172)	(1 046)	(1 097)
Cash and cash equivalents at the beginning of the period	39 953	46 388	2 553	2 965
Cash and cash equivalents at the end of the period	23 589	29 216	1 508	1 867

The notes presented on pages 21 to 351 form an integral part of the consolidated interim financial statements

SELECTED NOTES TO THE CONSOLIDATED INTERIM REPORT

Note 1 General information

The main fields of activity of Ekspress Grupp and its subsidiaries include online media, publishing newspaper, magazines and books, printing services.

AS Ekspress Grupp (registration number 10004677, address: Narva mnt.11E, 10151 Tallinn) is a holding company registered in Estonia. There are 11 subsidiaries, 5 joint ventures and 2 associated companies that belong to the consolidation group as of 31.03.2010.

The consolidated interim financial report was approved for issue by the Management Board on 11 May 2010.

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

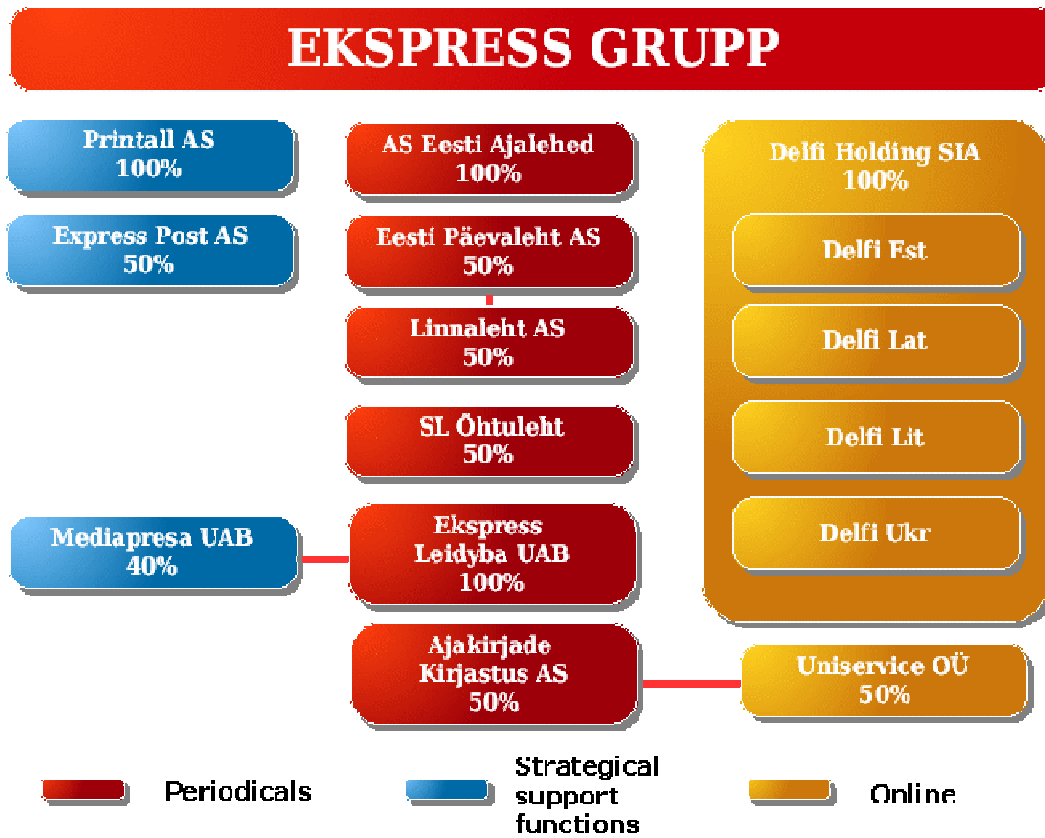
As of 31 March 2010 this consolidated interim report of AS Ekspress Grupp for the first quarter of 2010 reflects the results of the following group companies:

Name	Staatatus	Shareholding 31.03.2010	Shareholding 31.12.2009	Main field of activity	Location
AS Ekspress Grupp	Parent Company			Holding Company	Estonia
Eesti Ajalehed AS	Subsidiary	100%	100%	Newspaper publishing	Estonia
UAB Ekspress Leidyba	Subsidiary	100%	100%	Magazine publishing	Lithuania
SIA Delfi Holding	Subsidiary	100%	100%	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%	100%	Online classified ads	Latvia
SIA Ekspress Portals	Subsidiary	100%	100%	Online classified ads	Latvia
Delfi UAB	Subsidiary	100%	100%	Online classified ads	Lithuania
UAB Ekspress Portals	Subsidiary	100%	100%	Online classified ads	Lithuania
TOV Delfi.	Subsidiary	100%	100%	Online classified ads	Ukraine
AS Printall	Subsidiary	100%	100%	Printing services	Estonia
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
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 company

Name	Status	Shareholding 31.03.2010	Shareholding 31.12.2009	Main field of activity	Location
OÜ Ekspress Internet	Subsidiary	80%	80%	Online classified ads	Estonia

Ekspress Grupp Structure



Discontinued companies

Name	Status	Shareholding 31.03.2010	Shareholding 31.12.2009	Main field of activity	Location
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
Kõnekeskuse AS	Subsidiary	100%	100%	Call centre services	Estonia
Rahva Raamat AS	Subsidiary	100%	100%	Books retail sale	Estonia
Dormant companies					
Teletell Infoline SRL	Subsidiary	100%	100%	Information services	Romania
Express Online SRL	Subsidiary	100%	100%	Call centre services	Romania

Note 2 Bases of preparation

This condensed consolidated interim financial report for the 1st quarter and three months ended 31 March 2010 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 for the year ended 31 December 2009.

According to management’s assessment, the consolidated interim financial statements of AS Ekspress Grupp for the 1st quarter of 2010 give a true and fair view of the Group’s results 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 Grupp is the Estonian kroon (EEK). The financial statements are presented thousand of Estonian kroons (EEK) and thousand of euros (EUR), unless indicated otherwise.

Note 3 Discontinued operations

On 23 April 2009, AS Ekspress Grupp signed a contract for the sale of 100% of the shares in AS Ekspress Hotline and its subsidiaries AS Kõnekeskus, Ekspresskataloogide AS and AS Infoatlas to Cheh OÜ, a holding company that belongs to the investment fund BaltCap.

The renegotiated sales price amounted to EEK 75.2 million (EUR 4.9 million). The consideration for the transaction consists of the following parts: EEK 46.8 million (EUR 3 million) is payable on the transaction date, about EEK 28.3 million (EUR 1.8 million) is subject to an off-set with the payable by AS Ekspress Grupp to Ekspress Hotline Group. Ekspress Hotline is presented as a discontinued operation in these financial statements. The deal was closed on 25 February 2010.

Loss recognised on the remeasurement of assets of discontinued operations mainly relates to the impairment of goodwill and is derived based on the actual sales price.

Disposal of Rahva Raamat AS

On 9 February 2010, Eesti Ajalehed AS, a subsidiary of AS Ekspress Grupp, and OÜ Raamatumaja concluded an Agreement of Purchase and Sale of the shares of Rahva Raamat AS, forming the book sales segment of the Group. The sales price is EEK 33 million (EUR 2.1 million) and profit on disposal EEK 6.3 million (EUR 0.4 million). The deal was closed on 18 February 2010. AS Ekspress Grupp's decision to divest Rahva Raamat AS follows the Group's strategy to focus more on its core activities in printed and digital media. New owner of the company is the management of Rahva Raamat AS.

Information about the assets and liabilities of Rahva Raamat AS as at 18 February 2010 and 31 December 2009 is provided below. However, disposal of Rahva Raamat will be presented as discontinued operation in 2010 financial statements.

(thousand)	EEK		EUR	
	18.02.2010	31.12.2009	18.02.2010	31.12.2009
ASSETS				
Current assets				
Cash and cash equivalents	14 551	780	930	50
Trade and other receivables	12 395	33 664	792	2 152
Inventories	14 134	14 051	903	898
Total current assets	41 080	48 495	2 625	3 100
Non-current assets				
Property, plant and equipment	16 495	16 829	1 054	1 076
Intangible assets	10 924	10 975	698	73
Total non-current assets	27 419	27 804	1 752	1 778
TOTAL ASSETS	68 499	76 299	4 377	4 878
LIABILITIES				
Current liabilities				
Finance lease (short-term part)	945	945	60	60
Trade and other payables	46 526	46 526	2 974	2 974
Total current liabilities	47 471	47 471	3 034	2 974
Finance lease (long-term part)	1 496	1 496	96	96
Total long term liabilities	1 496	1 496	96	96
TOTAL LIABILITIES	48 967	48 967	3 130	96
Sales	11 835	188 571	756	12 052
Expenses	12 498	189 908	799	12 137
Profit (loss) from discontinued operations	(663)	(1 337)	(42)	(85)

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 also included in the acquisition cost of the acquired holding according to IFRS 3.24.

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 for 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 5 Capital expenditure

EEK (thousand)	Property, plant and equipment		Intangible assets	
	Q I 2010	Q I 2009	Q I 2010	Q I 2009
Balance at the beginning of period				
Acquisition cost	551 478	568 659	880 776	1 058 171
Accumulated depreciation	(205 540)	(179 087)	(59 163)	(44 829)
Book value	345 938	389 572	821 613	1 013 342
Acquisitions and improvements	1 073	3 592	1 298	1 652
Disposals (at book value)	(20)	(152)	0	0
Write-offs	(29)	0	0	0
Sold through business combinations	(16 829)	0	(10 964)	0
Depreciation and impairment	(8 366)	(10 270)	(4 674)	(4 914)
Balance at the end of period				
Acquisition cost	522 023	569 608	869 086	1 059 839
Accumulated depreciation	(200 255)	(186 876)	(61 813)	(49 744)
Book value	321 768	382 732	807 273	1 010 095

EUR (thousand)	Property, plant and equipment		Intangible assets	
	Q I 2010	Q I 2009	Q I 2010	Q I 2009
Balance at the beginning of period				
Acquisition cost	35 246	36 344	56 292	67 629
Accumulated depreciation	(13 136)	(11 446)	(3 781)	(2 865)
Book value	22 109	24 898	52 511	64 764
Acquisitions and improvements	69	230	83	106
Disposals (at book value)	(1)	(10)	0	0
Write-offs	(2)	0	0	0
Sold through business combinations	(1 076)	0	(701)	0
Depreciation and impairment	(535)	(656)	(299)	(313)
Balance at the end of period				
Acquisition cost	33 363	36 405	55 545	67 736
Accumulated depreciation	(12 799)	(11 944)	(3 951)	(3 179)
Book value	20 565	24 461	51 594	64 557

Note 6 Bank loans and borrowings

EEK (thousand)	Total amount	Repayment term		Average rate of interest
		up to 1 year	1 to 5 years	
Balance on 31.03.2010				
Bank overdraft	40 061	40 061	0	4.13%
Short-term bank loans	10 122	10 122	0	3.85%
Long-term bank loans	538 256	45 263	492 993	4.71%
Finance lease	95 487	14 349	81 138	3.84%
Total	683 926	109 795	574 131	
Balance on 31.12.2009				
Bank overdraft	39 909	39 909	0	4.13%
Short-term bank loans	8 222	8 222	0	5.81%
Long-term bank loans	574 078	56 352	517 726	4.58%
Finance lease	103 931	38 610	65 321	3.24%
Total	726 140	143 093	583 047	

EUR (thousand)	Total amount	Repayment term		Average rate of interest
		up to 1 year	1 to 5 years	
Balance on 31.03.2010				
Bank overdraft	2 559	2 559	0	4.13%
Short-term bank loans	647	647	0	3.85%
Long-term bank loans	34 401	2 893	31 508	4.71%
Finance lease	6 104	918	5 186	3.84%
Total	43 711	7 017	36 694	
Balance on 31.12.2009				
Bank overdraft	2 550	2 550	0	4.13%
Short-term bank loans	525	525	0	5.81%
Long-term bank loans	36 690	3 602	33 088	4.58%
Finance lease	6 643	2 468	4 175	3.24%
Total	46 408	9 145	37 263	

The effective interest rates are very close to the nominal interest rates.

A loan agreement was concluded between the syndicate of SEB, Danske Bank A/S Estonia Branch (Sampo Bank) and Nordea Bank and Ekspress Grupp on 28 August 2007 in the amount of EEK 674.4 million (EUR 43.1 million) for purchasing Delfi Group and Maaleht. The loan repayment date is 25.09.2012. On 5 February 2010, an amendment to the loan agreement was concluded and according to the amendment, the new loan term is 25 January 2015 instead of previously agreed 25 September 2012.

On 24 March 2009, the syndicate of SEB Bank, Danske Bank (Sampo Bank) and Nordea Bank and AS Ekspress Grupp concluded an amendment to the loan agreement concluded on 28 August 2007, according to which the Group pays the principal instalments in a reduced amount during the period from 1 March 2009 to 25 January 2010.

Differences in payments are added to the bullet amount of the loan. The repayment profiles were amended in such a way that AS Ekspress Grupp will begin repaying the difference in the form of instalments starting from February 2010 until December 2012 under a ten year annuity profile and starting from January 2013 until December 2014 under a five year annuity profile.

The interest rate is 3.5%+ 6 month Euribor; from 25 January 2010, the new interest rate is 4% + 6 month Euribor, from 25 February 2010, the new interest rate is 3.75% + 6 month Euribor.

The outstanding loan balance as of 31.03.2010 on EEK 492.8 million (EUR 31.5 million). The loan is secured:

- with a mortgage on the registered immovable located at Peterburi Rd 64A in the mortgage amount of EEK 50 million (EUR 3.2million)
- with a pledge on the shares of Delfi Estonia, Delfi Latvia, Delfi Lithuania, Eesti Ajalehed, Printall, Eesti Päevaleht and Delfi Holding, and with the guarantee of these subsidiaries in the total amount of EUR 43.1 million (EEK 674.4 million);
- with a combined pledge in the amount of EEK 4 million (EUR 0.3 million) on the following trademarks: Eesti Ekspress, Delfi and Maaleht.

According to the terms of the loan agreement, the borrower must comply with the levels established for certain financial ratios, such as net interest-bearing borrowings /EBITDA, EBITDA/interest and principal payments related to interest-bearing borrowings and equity /balance sheet total.

As of the balance sheet date, there could have been a conflict with the levels established for certain financial ratios but an agreement was reached with banks before the balance sheet date, according to which the conflict with financial ratios does not qualify as a breach of the loan agreement.

On 1 April 2010, AS Ekspress Grupp and Danske Bank A/S Estonia Branch (legal successor of AS Sampo Pank) entered into an overdraft agreement, according to which the overdraft amount is EUR 0.96 million (EEK 15 million). The overdraft interest rate is 3.5%+ 6 month EURIBOR and the maturity term is 31 January 2011.

On 14 April 2010, AS Ekspress Grupp and AS SEB Pank entered into an overdraft agreement with a limit of EUR 0.96 million (EEK 15 million). The overdraft interest rate is 3.5%+ 1 month EURIBOR and the maturity term is 31 May 2010.

On 30 March 2010, AS Ekspress Grupp and Nordea Bank Finland Plc entered into a loan agreement with a limit of EUR 0.96 million (EEK 15 million). The overdraft interest rate is 3.75%+ 1 month EURIBOR and the maturity term is 31 May 2010.

A loan agreement of AS Printall (borrower) in the amount of EEK 75 million (EUR 4.8 million), with the term of 15.12.2013 is secured with a mortgage in the amount of EEK 100 million (EUR 6.4 million) on the registered immovable property located at Peterburi Rd 64A, Tallinn (the carrying amount of the building as of 31.03.2010 EEK 70.9 million (EUR 4.5 million), the carrying amount of the land property EEK 6.4 million (EUR 0.4 million), the carrying amount of the investment property EEK 6.4 million (EUR 0.4 million). The outstanding loan balance as of 31.03.2010: EEK 45.5 million (EUR 2,9 million), 31.12.2009: EEK 47.2 million (EUR 3.0 million). Finance lease agreements also contain certain terms for ratios of the company which the financial indicators of the company must comply. As of the balance sheet date, all ratios were in compliance with the terms established by the financial institutions.

In connection with the restructuring of the loans of AS Ekspress Grupp, loan and lease commitments for the subsidiary Printall AS were also reviewed, and amendments for loan and lease contracts were concluded. According to the agreements, loan and lease deadlines are extended for one year and between January 2010 and December 2011 principal payments of the loan are reduced by 50%.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Note 7 Segment reporting

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

- a) online media;
- b) periodicals;
- c) printing services;
- d) corporate functions.

Number of employees by segment

Segment	Number of employees		Average number of employees	
	31.03.2010	31.03.2009	Q I 2010	Q I 2009
Online media	212	199	208	197
Periodicals	1 392	1 569	1 387	1 575
Printing services	185	202	185	205
Book sales (discontinued operations)	0	117	0	122
Information services (discontinued operations)	0	176	0	176
Corporate functions	7	7	7	7
Total	1 796	2 270	1 787	2 282

*proportional part from joint ventures

Most of the employment contracts of the Group and its affiliates have been concluded for an indefinite term.

In 2009, the salaries of all employees of the Company were reduced by 10 per cent for the period of one year. The reduction of salary was agreed with every employee separately by respective agreements.

Key financial results by segments January-March /2009-2010

Group

(thousand) EEK	Revenue			EBITDA		
	2010	2009	Change %	2010	2009	Change %
Online segments	26 111	27 643	-5.5%	(2 247)	(3 275)	31.4%
Periodicals	81 812	104 226	-21.5%	5 651	(791)	814.4%
Printing services	86 849	87 944	-1.2%	18 976	14 047	35.1%
Corporate functions	573	747	-23.3%	(4 495)	(2 428)	-85.1%
Eliminations	(12 276)	(13 430)	8.6%	(34)	(791)	95.7%
Total	183 069	207 130	-11.6%	17 851	6 762	164.0%

Group

(thousand) EUR	Revenue			EBITDA		
	2010	2009	Change %	2010	2009	Change %
Online segments	1 669	1 767	-5.5%	(144)	(209)	31.4%
Periodicals	5 229	6 661	-21.5%	361	(51)	814.4%
Printing services	5 551	5 621	-1.2%	1 213	898	35.1%
Corporate functions	37	48	-23.3%	(287)	(155)	-85.1%
Eliminations	(786)	(859)	8.6%	(2)	(51)	95.7%
Total	11 700	13 238	-11.6%	1 141	432	164.0%

Online media segment

Online media segment includes Delfi operations in Estonia, Latvia, Lithuania and Ukraine. It also includes online operations of Eesti Päevalehe AS, Eesti Ajalehed AS (Maaleht and Eesti Ekspress), AS SL Õhtuleht.

Online media segment key financial results January-March/ 2009-2010

(thousand) EEK	Revenue			EBITDA		
	2010	2009	Change %	2010	2009	Change %
Delfi Eesti	9 154	9 393	-2.5%	(1 111)	(1 351)	17.8%
Delfi Läti	5 520	7 087	-22.1%	550	1 111	-50.5%
Delfi Leedu	9 691	8 528	13.6%	424	(450)	194.2%
Delfi Ukraina	17	3	466.7%	(937)	(763)	-22.8%
Other	1 695	2 407	-29.6%	(1 021)	(1 862)	45.2%
Total	26 077	27 418	-4.9%	(2 095)	(3 315)	36.8%

* Inter-segment revenue is eliminated

(thousand) EUR	Revenue			EBITDA		
	2010	2009	Change %	2010	2009	Change %
Delfi Eesti	585	600	-2.5%	(71)	(86)	17.8%
Delfi Läti	353	453	-22.1%	35	71	-50.5%
Delfi Leedu	619	545	13.6%	27	(29)	194.2%
Delfi Ukraina	1	0	466.7%	(60)	(49)	-22.8%
Other	108	154	-29.6%	(65)	(119)	45.2%
Total	1 666	1 752	-4.9%	(134)	(212)	36.8%

* Inter-segment revenue is eliminated

Publishing segment

The publishing segment includes newspaper and magazine publishing of Eesti Päevalehe AS, Eesti Ajalehed AS (Maaleht and Eesti Ekspress), AS SL Õhtuleht, AS Linnaleht, UAB Express Leidyba and AS Ajakirjade Kirjastus.

All newspaper and magazine publishing units (except AS Linnaleht) of Ekspress Grupp also publish books.

Publishing segment key financial results January-March / 2009-2010

(thousand) EEK	Revenue			EBITDA		
	2010	2009	Change %	2010	2009	Change %
Eesti Päevalehe AS	10 816	17 154	-36.9%	(1 361)	1 604	-184.9%
Eesti Ajalehed AS	27 243	19 184	42.0%	8 246	(395)	2187.6%
AS Maaleht	0	12 383	-100.0%	0	(170)	100.0%
SL Õhtuleht AS	12 507	14 859	-15.8%	1 980	2 882	-31.3%
AS Ajakirjade Kirjastus	15 363	19 605	-21.6%	680	58	1072.4%
UAB Ekspress Leidyba	10 618	15 553	-31.7%	(1 255)	(1 077)	-16.5%
AS Express Post	5 265	5 488	-4.1%	(2 640)	(3 694)	28.5%
Total	81 812	104 226	-21.5%	5 650	(792)	813.4%

* Inter-segment revenue is eliminated

(thousand) EUR	Revenue			EBITDA		
	2010	2009	Change %	2010	2009	Change %
Eesti Päevalehe AS	691	1 096	-36.9%	(87)	103	-184.9%
Eesti Ajalehed AS	1 741	1 226	42.0%	527	(25)	2187.6%
AS Maaleht	0	791	-100.0%	0	(11)	100.0%
SL Õhtuleht AS	799	950	-15.8%	127	184	-31.3%
AS Ajakirjade Kirjastus	982	1 253	-21.6%	43	4	1072.4%
UAB Ekspress Leidyba	679	994	-31.7%	(80)	(69)	-16.5%
AS Express Post	336	351	-4.1%	(169)	(236)	28.5%
Total	5 228	6 661	-21.5%	361	(50)	813.4%

* Inter-segment revenue is eliminated

Printing services segment

All the printing services of Ekspress Grupp are concentrated at AS Printall which is the largest printing company in Estonia. Printall is able to print both newspapers (*coldset*) and magazines (*beatset*).

Printing services segment key financial results January-March / 2009-2010

(thousand) EEK	Revenue			EBITDA		
	2010	2009	Change %	2010	2009	Change %
AS Printall	86 849	87 944	-1.2%	18 976	14 047	35.1%

EBITDA

(thousand) EUR	Revenue			EBITDA		
	2010	2009	Change %	2010	2009	Change %
AS Printall	5 551	5 621	-1.2%	1 213	898	35.1%

The share of exports in revenue was 63%, including 50% to Western Europe.

Information services and book sales discontinued operations.

In earlier reports, Ekspress Grupp also had the information services segment and all segment activities were concentrated at AS Ekspress Hotline and its subsidiaries. On 23 April 2009, Ekspress Grupp and OÜ Cheh (manager of BaltCap investment funds) signed an agreement to sell 100% of the shares of AS Ekspress Hotline to OÜ Cheh. The transaction was completed on 25 February 2010.

On 9 February 2010, Eesti Ajalehed AS, a subsidiary of AS Ekspress Grupp, and OÜ Raamatumaja concluded an Agreement of Purchase and Sale of the shares of Rahva Raamat AS, forming the book sales segment of the Group. The sales price is EEK 33 million (EUR 2.1 million) and profit on disposal EEK 6.3 million (EUR 0.4 million). The deal was closed on 18 February 2010. AS Ekspress Grupp's decision to divest Rahva Raamat AS follows the Group's strategy to focus more on its core activities in printed and digital media. New owner of the company is the management of Rahva Raamat AS.

Note 8 Reserves

Reserves include:

- Statutory legal reserve required by the Commercial Code. Subject to the approval at 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 shareholders EEK 10 000 thousand (EUR 639 thousand), a hedging reserve derived from interest rate swaps EEK 13 993 thousand (EUR 894 thousand) and revaluation of investment property EEK 3 414 thousand (EUR 218 thousand).

(thousand)	EEK		EUR	
	31.03.2010	31.12.2009	31.03.2010	31.12.2009
Statutory legal reserve	266	266	17	17
Other reserves	(579)	(579)	(37)	(37)
Additional payments in cash from shareholders	10 000	10 000	639	639
Revaluation of investment property	3 414	3 414	218	218
Hedging reserve	(13 993)	(13 993)	(894)	(894)

Note 9 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 did not have any dilutive instruments as of 31.03.2010 and 31.03.2009 **diluted earnings per share** equal basic earnings per share.

	EEK		EUR	
	Q I 2010	Q I 2009	Q I 2010	Q I 2009
Profit attributable to equity holders of the Parent Company	(11 847 325)	(17 592 916)	(757 182)	(1 124 392)
The average number of ordinary shares	20 848 841	20 598 473	20 848 841	20 598 473
Basic and diluted earnings per share	(0.57)	(0.85)	(0.04)	(0.05)

Note 10 Equity

At the Annual General Meeting of Shareholders held on 30 March 2010, it was decided to increase the share capital of AS Ekspress Grupp by monetary contributions on the following terms and conditions:

- to issue 8 948 000 new shares with the nominal value of EEK 10 (EUR 0.64) per share, whereby to list aforesaid shares on NASDAQ OMX Tallinn Stock Exchange;

As a result of this increase of share capital, the new size of sharecapital is EEK 297 968 410 (EUR 19 051 689).

The subscription of new shares has carried out from 16 April 2010 until 3 May 2010 at 2:00 PM.

New shares are issued with a nominal value of EEK 10 (EUR 0.64) and premium is EEK 3.77 (EUR 0.24) per share.

New shares are paid by monetary contribution, whereby the due date of payment was 6 May 2010. The instructions to subscribe new shares (incl. place for subscription) are in the public offering prospectus of AS Ekspress Grupp.

Note 11 Related party transactions

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

The ultimate controlling individual of AS Ekspress Grupp is Hans H. Luik.

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) the following related parties:

Sales

(thousand)	EEK		EUR	
	Q I 2010	Q I 2009	Q I 2010	Q I 2009
Sale of goods				
members of management boards and companies related to them	0	1	0	0
associated companies	0	6 697	0	428
Sale of goods total	0	6 698	0	428
Sale of services				
members of supervisory boards and companies related to them	52	32	3	2
associated companies	1 074	1 383	69	88
Sale of services total	1 126	1 415	72	90
Sales total	1 126	8 113	72	518

Purchases

(thousand)	EEK		EUR	
	Q I 2010	Q I 2009	Q I 2010	Q I 2009
Purchase of services				
members of management boards and companies related to them	216	140	14	9
members of supervisory boards and companies related to them	1 809	2 048	116	131
associated companies	13	66	1	4
Purchases total	2 038	2 254	131	144

Receivables

(thousand)	EEK		EUR	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Short-term receivables				
members of supervisory boards and companies related to them	2 901	3 041	185	194
associated companies	4	6 795	0	434
Short-term receivables total	2 905	9 836	185	628
Long-term receivables				
members of supervisory boards and	1 550	1 550	99	99

companies related to them				
Long-term receivable total	1 550	1 550	99	99
Receivable total	4 455	11 386	284	727

Liabilities

(thousand)	EEK		EUR	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Short-term payables				
members of management boards and companies related to them	64	10	4	1
members of supervisory boards and companies related to them	21 470	23 064	1 372	1 474
Liabilities total	21 534	23 074	1 376	1 475

AS Ekspress Grupp (borrower) and HHL Rühm OÜ (related company of the Group's shareholder) concluded a short term loan agreement in March 2008 in the amount of EEK 30 million (EUR 1.9 million). The loan interest rate is 6%. As of 31.03.2010 the loan amounted to EEK 21 million (EUR 1.3 million) in the balance sheet.

The annual general meeting held on 2 June 2009 approved the payment of a guarantee fee to Hans H. Luik of 1.5% p.a. on the guarantee amount for the personal guarantee of EUR 4 000 000 on the loan agreement and overdraft agreements concluded between AS Ekspress Grupp and SEB Bank, Danske Bank AS Eesti branch and Nordea Bank Finland Plc Estonia Branch. The fee is payable until the maturity date of the guarantee.

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

It was decided to recall Härmo Värk and Kalle Norberg from the member of the Supervisory Board and elect Aavo Kokk as the new member of the Supervisory Board at the annual general meeting held on 30 March 2010.

Key management and supervisory board remuneration

(thousand)	EEK		EUR	
	Q I 2010	Q I 2009	Q I 2010	Q I 2009
Salaries and other short-term employee benefits (paid)	3 315	4 007	212	256

A member of the Management Board is entitled to compensation upon the termination of his contract. The key management termination benefits are obligations only in case the termination of contracts is originated by the Group. If a member of the Management Board is recalled without a substantial reason, the member will be paid compensation for termination of the contract totalling up to 4 months' salary. The cost is recognised on an accrual basis. Upon termination of an employment relationship, no compensation is paid if a member of the Management Board leaves at his or her initiative or if a member of the Management Board is removed by the Supervisory Board for a substantial reason. Potential key management termination benefits total EEK 3 530 thousand (EUR 226 thousand) in 2010 and in 2009, they totalled EEK 4 982 thousand (EUR 318 thousand).

According to management, transactions with related parties have been carried out using the arm's length principle.

Note 12 Events after the balance sheet date

On 20 April 2010, OÜ Griffen SPV, an investment company under the control of Gunnar Kobin, the Chairman of the Management Board of AS Ekspress Grupp, and OÜ HHL Rühm, an investment company under the control of Hans H. Luik, a Supervisory Board member of AS Ekspress Grupp, signed an amendment to the Share Purchase Agreement concluded on 16 November 2009. According to the amendment, the price for one share of AS Ekspress Grupp is EEK 15.6 (EUR 1). In addition, the parties signed a Preliminary Agreement under which OÜ Griffen SPV will acquire 80 127 shares of AS Ekspress Grupp for EEK15.6 (EUR 1) per share.

AS Ekspress Grupp is glad to announce that the increase of share capital decided on the Annual General Meeting of the Shareholders held on 30 March 2010 and the public offering of the shares related to it, was exercised in full, i.e. all 8 948 000 offered shares in the total amount of EEK 123.2 million (EUR 7.9 million) were subscribed for. Total of 12 047 058 shares were subscribed for which means over-subscription of 1.35 times. 5 186 920 i.e. 58 per cent of the offered shares are allocated to the investors who subscribed for the shares with subscription rights which were issued in connection with the public offering and the remaining 3 761 080 are allocated to the investors who subscribed for the shares without the subscription rights. Offered shares was transferred to securities accounts on or about 7 May 2010.