



AS EKSPRESS GRUPP
CONSOLIDATED INTERIM REPORT
FOR THE FIRST QUARTER OF 2013

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GENERAL INFORMATION

Beginning of reporting period	1 January 2013
End of reporting period	31 March 2013
Company name	AS Ekspress Grupp
Registration number	10004677
Address	Narva mnt 11 E. 10151 Tallinn
Phone	669 8381
Fax	669 8081
E-mail	egrupp@egrupp.ee
Internet homepage	www.egrupp.ee
Main field of activity	Publishing and related services
Management Board	Gunnar Kobin (chairman) Andre Veskimeister Pirje Raidma Madis Tapupere (until 13 April 2013)
Supervisory Board	Viktor Mahhov (chairman) Hans H. Luik Aavo Kokk Kari Sakari Salonen Harri Helmer Roschier Ville Jehe
Auditor	AS PricewaterhouseCoopers

Management Board's confirmation of the Group's interim financial statements

The Management Board confirms that the management report and interim consolidated financial statements of AS Ekspress Grupp disclosed on pages 5 to 38 present a true and fair view of the key events which have occurred during the reporting period and their effect on the Group's financial position, results and cash flows, and they include a description of major risks and related party transactions of great significance.

Gunnar Kobin	Chairman of the Management Board	<i>signed digitally</i>	02.05.2013
Pirje Raidma	Member of the Management Board	<i>signed digitally</i>	02.05.2013
Andre Veskimeister	Member of the Management Board	<i>signed digitally</i>	02.05.2013

MANAGEMENT REPORT

In the 1st quarter of this year, the Group earned a net profit of EUR 633 thousand as compared to EUR 179 thousand earned a year before. Sales totalled EUR 13.8 million and were 3% lower than last year. EBITDA was 7% lower than in the 1st quarter of 2012 and we ended the quarter with a profit of EUR 1.5 million. Sales and EBITDA expectations were 2% and 9% higher, respectively, but the quarterly net profit remained at the budgeted level.

The keywords that characterise the quarterly result are the unexpected weakness of export markets of printing services that started in the second week of February, the deferred income of different cooperation projects of Delfi Lithuania and allowance for old receivables. As we managed to offset the fall in EBITDA with lower interest expenses, we are satisfied with the net profit result.

A change in the breakdown of Group's EBITDA between different segments in the 1st quarter reveals that against the backdrop of deferred income of online media and the temporary decline in printing services, the result of the periodicals segment improved from last year and the share of EBITDA of periodicals in the Group's EBITDA increased from 1% last year to 12% this year.

The better-than-expected result of the **periodicals' segment** was partly due to the DVD series ended in the first quarter of the year, which was sold together with daily Eesti Päevaleht and which improved the results of the book publisher Hea Lugu and that of AS Eesti Ajalehed. The segment was also supported by the better-than-expected result of Express Post, the home delivery service of periodicals. It was a challenging quarter for newspaper and magazine publishing. While Lithuania reduced the VAT on periodicals and staff cuts also helped to improve the company's result as compared to the year before, in Estonia all periodicals suffered from the unexpected downturn of the advertising market. The Estonian publisher of magazines reached the advertising revenue of the previous year only in the last month of the quarter, and it was challenging also for daily and weekly newspapers. The revenue base was maintained by subscriptions that remain stable. Readership and advertising revenues of digital newspapers continue their stable growth.

In the **online segment**, Delfi Latvia managed to exceed last year's profit. Despite 7% sales growth, the profit of Delfi Estonia remained below last year's level. Taking into account the low sales and profit targets in the 1st quarter, the difference in absolute figures is actually insignificant. The result was primarily impacted by the charges related to the termination of some employment and service contracts, and the expansion of the editorial office in 2012 as a result of which on the other hand helped the weekly number of unique users of delfi.ee to exceed that of postimees.ee by more than 100 thousand since the final weeks of the quarter. The biggest impact factors behind the financial result of Delfi Lithuania were the deferral of income of some cooperation projects to the second quarter and allowance for old receivables derived from higher advertising revenues in the last quarter of 2012. Since the management considers both factors as a delay in collection of income and not default, it is expected that these setbacks will be offset over the next quarters of the year.

In the **printing services segment**, the company's revenue base was impacted by the slowdown in the export markets in the middle of the quarter. The reaction to this has been problematic for the company due to the production capacity constraints that do not enable it to prepare for a sudden decline in the orders of regular customers. According to the company's management, there are also price pressures in different export markets. Regardless of the shortfall in sales, the company managed to meet its EBITDA target in the final month of the quarter and is optimistic about the next quarter.

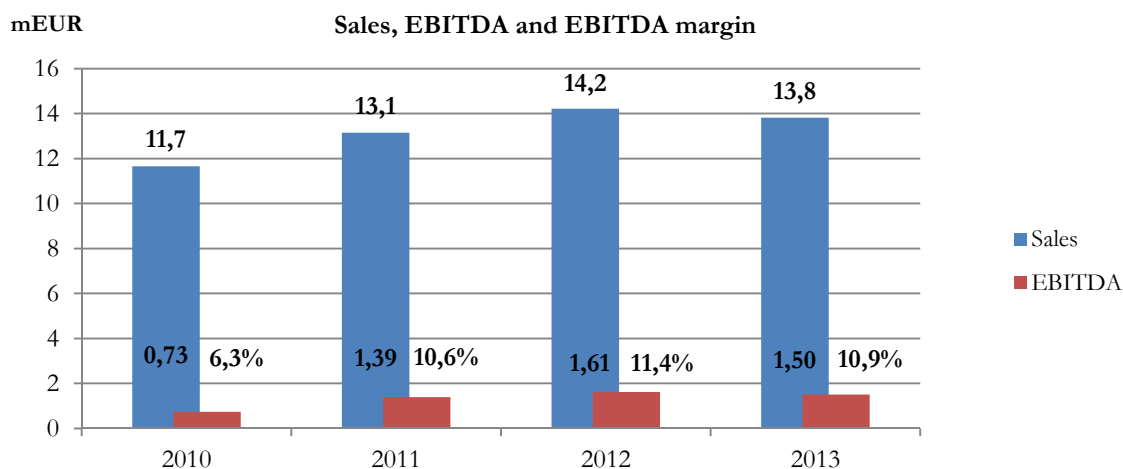
In the second quarter of the year 2013, we expect revenue to remain at the last year's level, EBITDA to decrease by about 7% as compared to the year before, but net profit to increase by 30%. The most significant negative factor is the shortfall in advertising revenue of periodicals; moreover, until the launch of a new DVD series, the segment's result will also be affected by the ending of the series in the first quarter. In the online segment, we expect to maintain EBITDA at last year's level, but at a slightly lower margin due to the costs related to the launch of several new projects and content production costs incurred last year which we intend to optimise. In the printing services segment we expect the profit to remain at last year's level. Significantly lower interest expenses than last year will contribute to net profit growth.

Key financial indicators and ratios

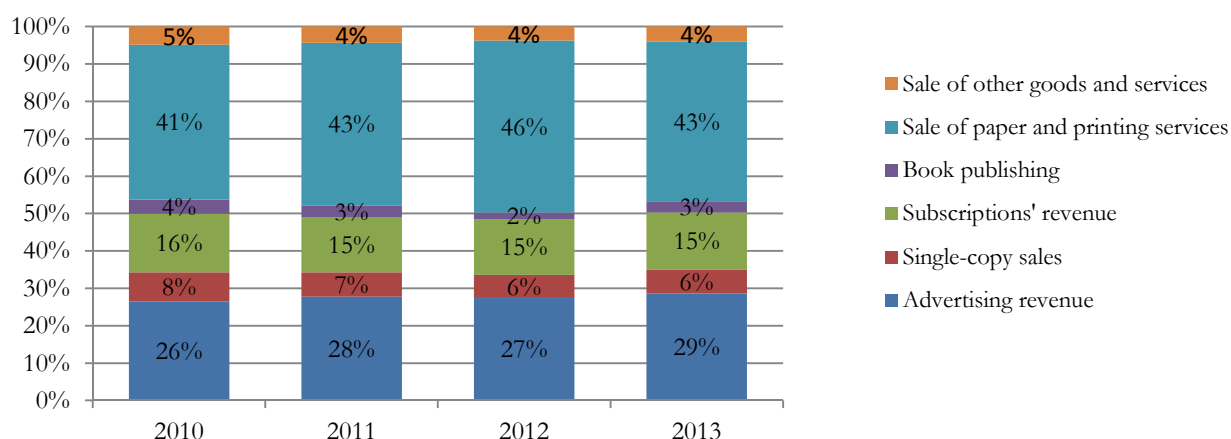
(EUR thousand)	Q1 2013	Q1 2012	Change %	Q1 2011	Q1 2010
For the period					
Sales	13 809	14 219	-3%	13 146	11 658
Gross margin	2 813	2 799	1%	2 617	2 065
EBITDA*	1 503	1 614	-7%	1 394	733
Operating profit*	840	755	11%	554	(101)
Profit/(loss) from continuing operations for the period *	633	179	254%	(155)	(1 131)
EBITDA margin* (%)	10.9%	11.4%		10.6%	6.3%
Operating margin* (%)	6.1%	5.3%		4.2%	-0.9%
Net margin* (%)	4.6%	1.3%		-1.2%	-9.7%
Gain related to acquisition of 50% ownership in Eesti Päevalehe AS**	0	0	0%	1 540	0
Net profit/(loss) from continuing operations for the period as reported in the financial statements	633	179	254%	1 385	(1 131)
Net profit/(loss) for the period as reported in the financial statements	633	179	254%	1 385	(768)
Net margin (%)	4.6%	1.3%		10.5%	-6.6%
ROA (%)	0.8%	0.2%		1.6%	-0.9%
ROE (%)	1.5%	0.5%		3.8%	-2.7%
Earnings per share (EPS)	0.02	0.01		0.05	(0.04)

*The results exclude impairment of goodwill and trademarks, and the net extraordinary gain in relation to the acquisition of an additional ownership interest in Eesti Päevalehe AS (see below).

**In the 1st quarter of 2011, an additional 50% ownership interest in Eesti Päevalehe AS was acquired. The transaction was accounted for in two parts: firstly, as the sale of the current 50% ownership interest on which the net extraordinary gain totalled EUR 1 540 thousand and secondly, as the acquisition of the wholly-owned subsidiary.



Revenue by activity



Balance sheet (EUR thousand)	31.03.2013	31.12.2012	Change%
As of the end of the period			
Current assets	11 780	13 545	-13%
Non-current assets	66 290	66 754	-1%
Total assets	78 070	80 299	-3%
Current liabilities	13 036	14 967	-13%
Non-current liabilities	23 322	24 233	-4%
Total liabilities	36 358	39 200	-7%
Equity	41 712	41 099	1%

Financial ratios (%)	31.03.2013	31.12.2012
Equity ratio (%)	53%	51%
Debt to equity ratio (%)	65%	70%
Debt to capital ratio (%)	37%	38%
Total debt/EBITDA ratio	3.5	3.6
Debt service coverage ratio	1.74	1.52
Liquidity ratio	0.90	0.90

Formulas used to calculate the financial ratios	
EBITDA margin* (%)	EBITDA* /sales x 100
Operating margin* (%)	Operating profit* /sales x 100
Net margin* (%)	Net profit* /sales x 100
Net margin (%)	Net profit as per financial statements/sales x 100
Earnings per share	Net profit/average number of shares
Equity ratio (%)	Equity /(liabilities + equity) x 100
Debt to equity ratio (%)	Interest bearing liabilities /equity x 100
Debt to capital ratio (%)	Interest bearing liabilities – cash and cash equivalents (net debt)/(net debt+ equity) x 100
Total debt/EBITDA ratio	Interest bearing borrowings/EBITDA
Debt service coverage ratio (DSCR)	EBITDA/loan and interest payments for the period
Liquidity ratio	Current assets/current liabilities
ROA (%)	Net profit/average assets x 100
ROE (%)	Net profit/average equity x 100

OVERVIEW OF THE SEGMENTS

In 2013 and 2012, the Group operated in the following segments:

- online media,
- periodicals (newspapers, magazines and books),
- printing services.

Key financial data of the segments Q1 2013/2012

(EUR thousand)	Sales			EBITDA		
	Q1 2013	Q1 2012	Change %	Q1 2013	Q1 2012	Change %
online media	2 437	2 187	11%	84	238	-65%
periodicals	5 743	5 781	-1%	210	21	900%
printing services	6 617	7 376	-10%	1 414	1 529	-8%
corporate functions	355	140	154%	(206)	(174)	-18%
intersegment eliminations	(1 343)	(1 265)	-6%	1	0	-
TOTAL GROUP	13 809	14 219	-3%	1 503	1 614	-7%

EBITDA margin	Q1 2013	Q1 2012
online media	3%	11%
periodicals	4%	0%
printing services	21%	21%
TOTAL	11%	11%

The segments' EBITDA does not include intragroup management fees, and impairment of goodwill and trademarks. Volume-based and other fees payable to advertising agencies have not been deducted from the advertising sales of segments, because the management monitors gross advertising sales. Discounts and rebates are reduced from the Group's sales and are included in the combined line of eliminations.

News portals owned by the Group

Owner	Portal	Owner	Portal
Delfi Eesti	www.delfi.ee	AS Eesti Ajalehed	www.ekspress.ee
	rus.delfi.ee		www.maaleht.ee
Delfi Latvia	www.delfi.lv		www.epl.ee
	rus.delfi.lv	AS SL Õhtuleht	www.ohhtuleht.ee
Delfi Lithuania	www.delfi.lt		
	ru.delfi.lt		
Delfi Ukraine	www.delfi.ua		

Classified portals owned by the Group

Owner	Portal	Owner	Portal
Delfi Lithuania	www.alio.lt	Eesti Ajalehed AS	www.ekspressjob.ee
			www.ekspressauto.ee
			www.hyppeaud.ee

Online media segment

The online media segment includes Delfi operations in Estonia, Latvia, Lithuania and Ukraine as well as the Parent Company Delfi Holding.

(EUR thousand)	Sales			EBITDA		
	Q1 2013	Q1 2012	Change %	Q1 2013	Q1 2012	Change %
Delfi Estonia	852	799	7%	(29)	44	-166%
Delfi Latvia	520	479	9%	38	(6)	733%
Delfi Lithuania	1 055	889	19%	43	169	-75%
Delfi Ukraine	10	14	-29%	(59)	(67)	12%
other companies	0	6	-100%	90	98	-8%
intersegment eliminations	0	0	-	1	0	-
TOTAL	2 437	2 187	11%	84	238	-65%

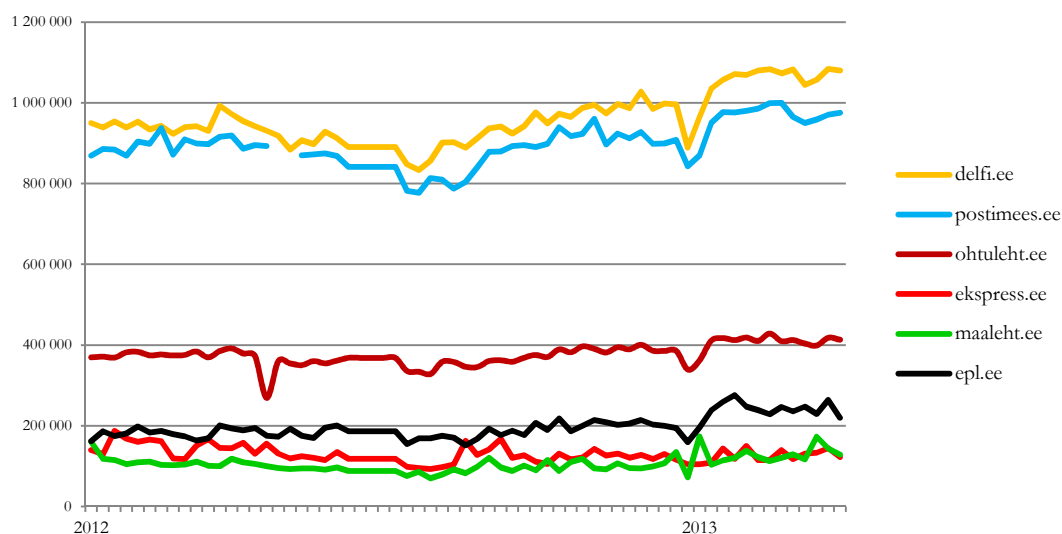
The sales growth in the online segment has been strong in the 1st quarter; however, the focus remains on improving profitability. EBITDA for the 1st quarter was negatively impacted by the increase in editorial staff, but it has also improved the quality of our content and attracted unique users.

In the 1st quarter of 2013, all Delfi portals continued with face-lifts of their various sections, creation of new categories and launching cooperation projects with different partners.

Delfi Estonia

- Delfi Eesti continued live broadcasts of sports events (broadcasts of basketball matches, tennis tournament SEB Tallink Open 2013, etc.) The largest project was the full-day programme of events dedicated to the 95th anniversary of the Republic of Estonia.
- New categories and sites in the Estonian language version of Delfi, such as Eesti Laul 2013 (Estonian Song 2013), Eesti Vabariik 95 (Republic of Estonia 95), Priiuse Põlistamine (Lasting Liberty), Tallinn Music Week 2013, Spordimelu (Sports World), Motoexotic, Cirque du Soleil, Su nägu kõlab tuttavalt (Your Face Sounds Familiar), Moodne Kodu (Modern Home).
- New photo gallery.
- New mobile app version mDelfi 5.0.
- Cooperation projects with TV stations of TV3, Sky Media and Fox.
- Cooperation project with the Estonian Athletic Association, Estonian Ski Association, Theatre NO99, Tallinn Music Week, etc.

Estonian online readership 2012-2013



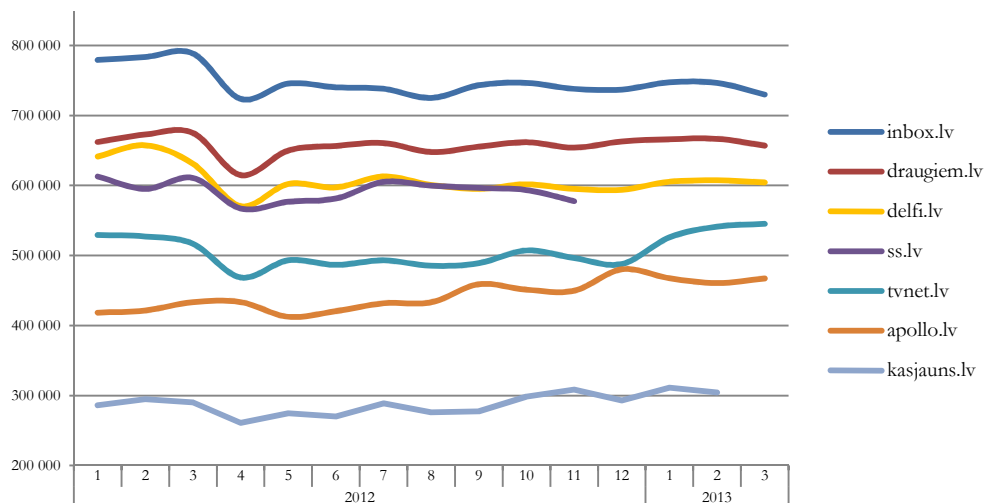
TNSMetrix weekly audience survey

In the 1st quarter of 2013, there were no significant changes in the Estonian internet market. The number of users continues to grow in the autumn and winter, as in previous years. The market is dominated by two media portals: Delfi and Postimees. Delfi.ee remains the internet portal with the highest number of users in Estonia. During the 1st quarter, Delfi increased its gap with postimees.ee that has been more than 100 thousand weekly users. The number of users of the online environment of Eesti Päevaleht www.epl.ee is also growing steadily and is approaching 250 thousand users a week. In connection with the launch of the new mobile version by www.delfi.ee, the number of mobile users has doubled in the last six months, although it is still only a tenth of the total readership.

Delfi Latvia

- Launch of a new local news channel, Regional News.
- Cooperation project with the e-school portal e-klase.lv to attract younger audience.
- Cooperation with women's portal kasjauns.lv.
- Launch of a new mobile application version including an upgraded navigation system and design.
- According to the survey carried out by the advertising agency DDB, Delfi has been the most popular and powerful online brand in Latvia for several months.
- Other cooperation projects:
 - Media partner for the Latvian music awards "The Great Music Award",
 - Main media partner of European rally championships held in Latvia.

Latvian online readership 2011-2013

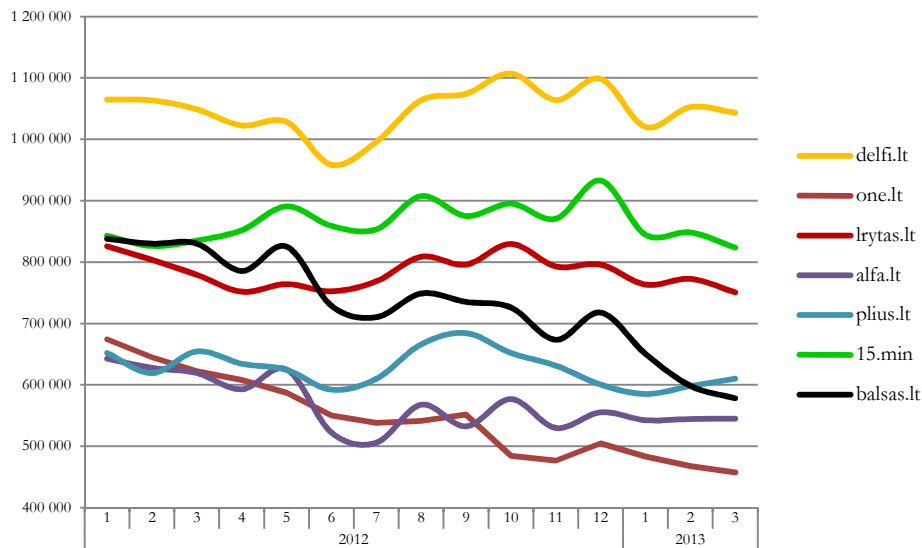


GemiusAudience monthly audience survey

The most significant change in the 1st quarter of 2013 was the acquisition of www.spoki.lv portal by Schibsted Group and its integration into the news portal www.tvnet.lv. As a result, the number of users of tvnet.lv increased on average by 50 thousand a month. In terms of the overall internet use, Latvia's most popular websites are the e-mail environment Inbox and the social network Draugiem. Delfi remains the most popular news site in Latvia with the largest number of users.

Delfi Lithuania

- Cooperation project with Nubo TV that allows readers to watch different TV channels online from a computer.
- New e-bookstore got a very good reception.
- Launch of the English-language version of Delfi Lithuania. Russian and Polish language portals have been launched some time ago.
- Completion of illustrated design of classified ads portal Alio.

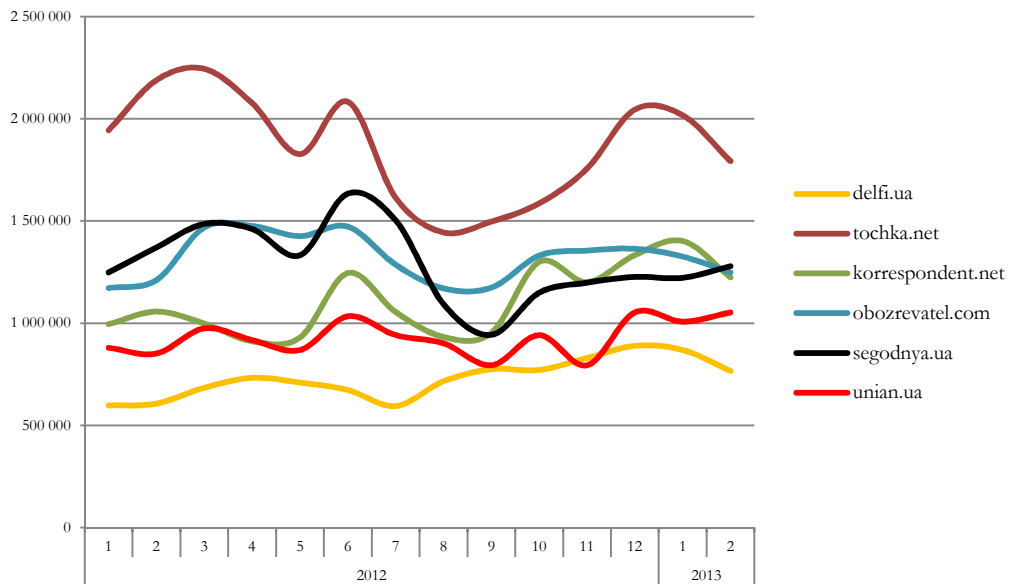
Lithuanian online readership 2012-2013*GemiusAudience monthly audience survey*

Among Lithuanian internet users, Delfi Lithuania remains a clear market leader and continues to have more than a million unique users a month. From the second quarter of 2012, Delfi has increased the gap with other portals and Delfi has more than 200 thousand users more than its closest competitor. In January 2012, research company Gemius adjusted the overall number of Lithuanian internet users that reduced the number of users of all internet portals.

Delfi Ukraine

- The company continues with the strategy launched last year to offer easier and more tabloid-like news.
- Marketing activities in social media and cooperation projects with radio and TV channels to improve Delfi's visibility in the market.
- From September 2012 has increased content production of news targeted at women due to the profile of users of Delfi.ua.

Ukrainian online readership 2012-2013



GemiusAudience monthly audience survey

The Ukrainian internet market operates in a significantly different manner than that of the Baltic States. As compared to the 1st quarter last year, the number of users of Delfi.ua has increased by ca 30%. The Ukrainian internet market is primarily characterised by a constant change of different media publications and a change of concepts. The market is not yet fully established, and providers and consumers alike are still developing their preferences.

Periodicals segment

The periodicals segment includes the publishers of newspapers, magazines and books. This segment also includes AS Express Post, engaged in home delivery of periodicals.

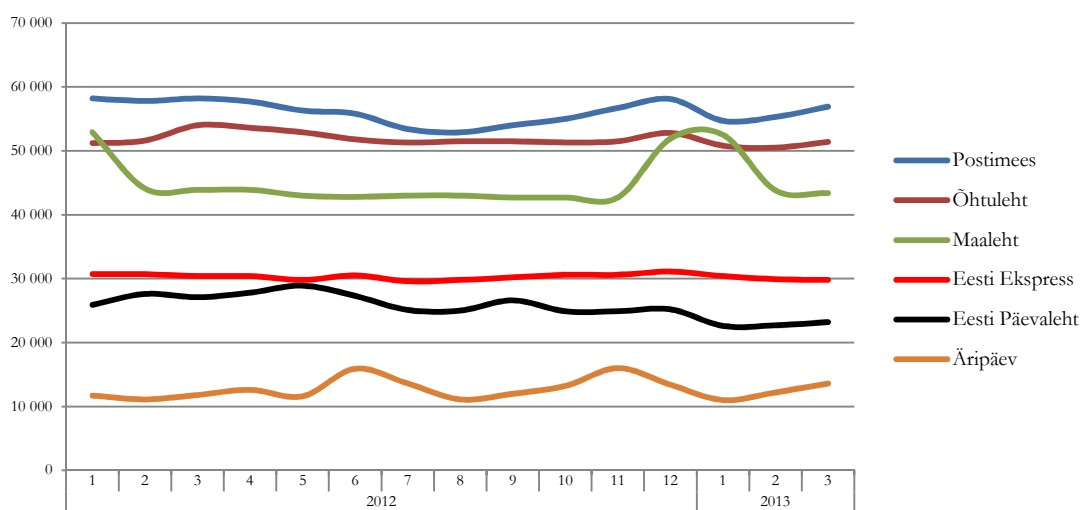
(EUR thousand)	Sales			EBITDA		
	Q1 2013	Q1 2012	Change%	Q1 2013	Q1 2012	Change%
AS Eesti Ajalehed	2 615	2 771	-6%	73	36	103%
OÜ Hea Lugu	329	148	122%	55	(19)	389%
AS SL Õhtuleht*	900	911	-1%	35	35	0%
AS Ajakirjade Kirjastus*	918	985	-7%	(22)	(26)	15%
UAB Ekspress Leidyba	628	632	-1%	(5)	(63)	92%
AS Express Post*	601	595	1%	74	57	30%
intersegment eliminations	(248)	(261)	5%	0	0	-
TOTAL	5 743	5 781	-1%	210	21	910%

*Proportionate share of joint ventures

The 1st quarter of 2013 is characterised by the continued downturn in the print advertising market. Whereas advertising revenue of magazines returned to the expected level in March, the situation remains complicated for newspapers, despite the relatively stable level of circulations and readerships.

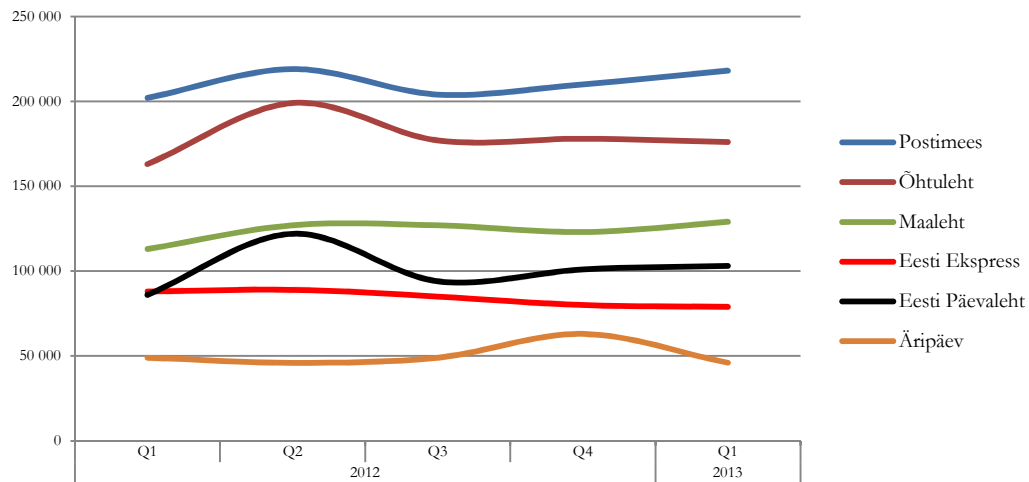
In February the final film in the additional DVD series of 15 films published by OÜ Hea Lugu for the 100th anniversary of the Estonian film industry came out. The entire project was very successful for the company and also helped to increase single-copy sales of Eesti Päevaleht and LP. The number of users of our digital products continues to grow.

Estonian newspaper circulation 2012-2013



Estonian Newspaper Association data

Circulations of Estonian newspapers remain stable or are slightly decreasing. The circulation of daily newspapers has been falling more than that of weekly newspapers. The Estonian market is inevitably following the global trends of consumers migrating from printed newspapers to digital channels.

Estonian newspaper readership 2012-2013

TNS EMOR's quarterly audience survey (2011) and Turu-uuringute AS (2012).

Despite of decreasing circulations there are positive news about the increased number of readers of printed newspapers by 50 thousand readers in comparison with the 1st quarter of 2012. The number of readers of Eesti Päevaleht has increased the most, i.e. 17 thousand readers as compared to the same period last year. The Group continues to focus on developing digital newspapers, the number of which is not included in the table above.

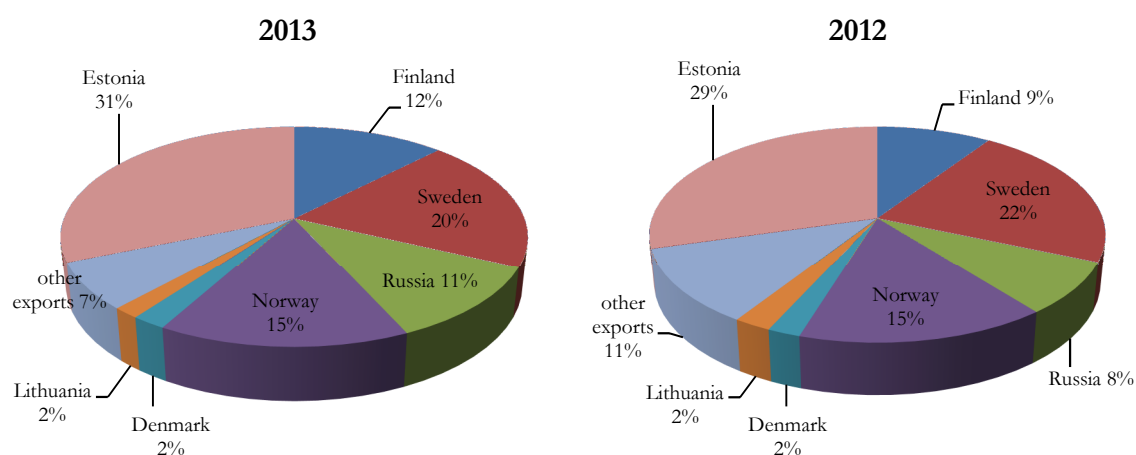
Printing services segment

All printing services of the Group are provided by AS Printall which is one of the largest printing companies in Estonia. Printall is able to print both newspapers (cold-set) and magazines (heat-set).

(EUR thousand)	Sales			EBITDA		
	Q1 2013	Q1 2012	Change %	Q1 2013	Q1 2012	Change %
AS Printall	6 617	7 376	-10%	1 414	1 529	-8%

Due to operation of heat-set machines at maximum production capacity levels during the peak seasons, sales growth is getting more difficult to attain. Lower circulation of newspapers also has a negative impact, as it is getting more difficult to compensate for the decline in the print volume of cold-set machines. In the 1st quarter of 2013, total sales fell by 10%; however, the decline in the sale of printing services excluding the sale of paper was considerably lower, i.e. 2.3%. The share of group companies in sales is decreasing and the share of exports is increasing. Most of the volume growth is generated by printing on heat-set machines, which makes up ca. 85% of total sales.

Geographical break-down of printing services



Printing services and the environment

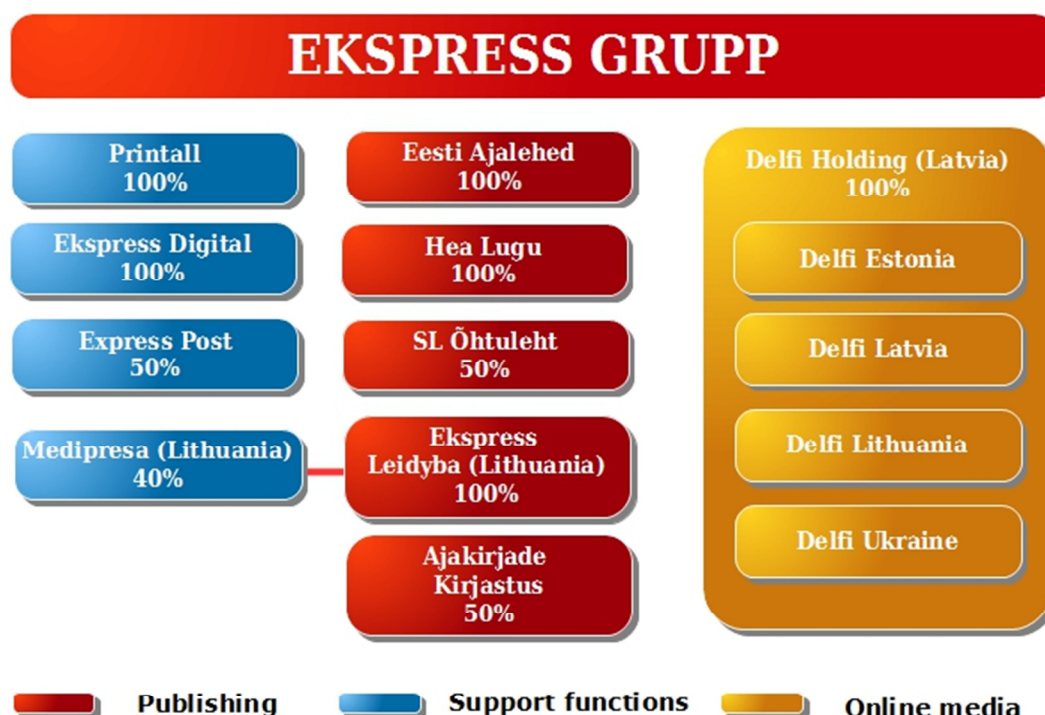
In addition to its very strong financial position, Printall also focuses on environmentally conscious production. In 2012, Printall was granted ISO 9001 management and ISO 14001 environmental certificates.

The Minister of the Environment of the Republic of Estonia and the waste managing company AS Ragn-Sells awarded Printall with the title of the Top Recycler of the Year, because the company recycles 95% of its waste.

The Nordic Council of Ministers has awarded Printall with the environmental label “The Nordic Ecolabel”, used to acknowledge the companies in the Nordic countries that use environmentally efficient production. Printall also has FSC and PEFC Chain of Custody (COC) certificates, which the company uses to promote a green way of thinking in the printing industry. Both of those certificates indicate compliance with monitoring and product production process requirements which are issued to businesses that comply with the requirements established by the FSC (Forest Stewardship Council) and the PEFC (Programme for the Endorsement of Forest Certification). A business that is issued these certificates helps to support the environmentally friendly, socially fair and economically viable management of the world’s forests.

Printall cares about the environment and uses green energy. The POWERED BY GREEN certificate is a proof that the company buys electricity, 70% of which has been generated by renewable sources of energy.

GROUP STRUCTURE



For a more detailed list of all legal persons of the Group, please refer to Note 1 to the interim financial statements.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 31.03.2013, the company's share capital is EUR 17 878 105 and it consists of 29 796 841 shares with the nominal value of EUR 0.60 per share.

As of 31.12.2012 and 31.12.2011, the company's share capital was EUR 17 878 105 and it consisted of 29 796 841 shares with the nominal value of EUR 0.60 per share.

The General Meeting of Shareholders held on 30 May 2011 approved the conversion of share capital from Estonian kroons into euros, as a result of which the nominal value of a share was lowered from EUR 0.64 to EUR 0.60. The total number of shares did not change, but the share capital was reduced by EUR 1 165 548.

As of 31.12.2010, the company's share capital was EUR 19 043 652 and it consisted of 29 796 841 shares with the nominal value of EUR 0.64 per share. In May 2010, 8 948 000 new shares were issued at price EUR 0.88 per share of which EUR 0.24 per share was share premium.

All shares are of one type and there are no ownership restrictions. The company does not have any shares granting specific controlling rights and the company lacks information about agreements dealing with the restrictions on voting rights of shareholders. 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 concluded between the shareholders, they are only known to the company to the extent related to pledging of securities and that is public information.

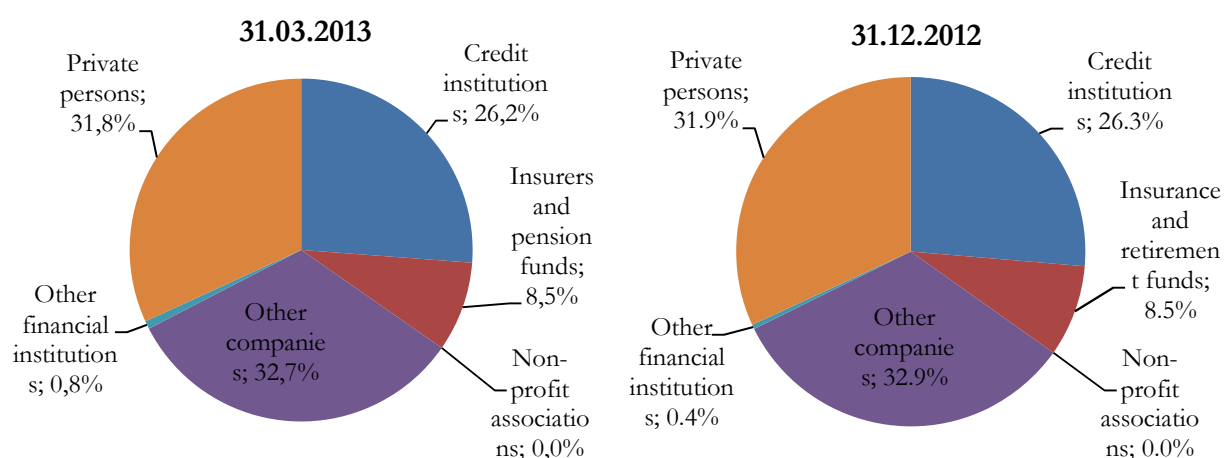
Structure of shareholders as of 31.03.2013 according to the Estonian Central Register of Securities

Name	Number of shares	%
Hans Luik	16 043 692	53.84%
<i>Hans Luik</i>	7 963 307	26.73%
<i>Hans Luik, OÜ HHL Rühm</i>	8 073 485	27.10%
<i>Hans Luik, OÜ Minigert</i>	6 900	0.02%
ING Luxembourg S.A.	4 002 052	13.43%
Skandinaviska Enskilda Banken Ab Clients	2 887 719	9.69%
Funds managed by LHV Pank and LHV Varahaldus	2 255 269	7.57%
Members of the Management and Supervisory Boards and their close relatives	360 276	1.20%
<i>Gunnar Kobin, OÜ Griffen SVP</i>	320 512	1.08%
<i>Viktor Mahhov, OÜ Flexinger</i>	37 464	0.13%
<i>Aavo Kokke, OÜ Synd & Katts</i>	400	0.00%
<i>Pirje Raidma, OÜ Aniston Trade</i>	1 900	0.01%
Other minority shareholders	4 247 833	14.26%
Total	29 796 841	100.0%

East Capital Asset Management AB has an ownership interest through the nominee account of Skandinaviska Enskilda Banken Ab Clients. KJK Fund SICAV-SIF has an ownership interest in the company through the account of ING Luxembourg S.A.

Distribution of shareholders by category as of 31.03.2013 and 31.12.2012 according to the Estonian Central Register of Securities

Category	31.03.2013		31.12.2012	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Credit institutions	18	7 801 210	18	7 841 161
Insurance and retirement funds	9	2 530 125	9	2 530 125
Other financial institutions	34	226 821	31	123 961
Other companies	358	9 755 642	367	9 799 242
Private persons	3 263	9 482 624	3 305	9 501 933
Non-profit associations	2	419	2	419
TOTAL	3 684	29 796 841	3 732	29 796 841


AS Ekspress Grupp share information and dividend policy
Share information

ISIN	EE3100016965
Ticker symbol	EEG1T
List/segment	BALTIC MAIN LIST
Issuer	Ekspress Grupp (EEG)
Nominal value	EUR 0.60
Issued shares	29 796 841
Listed shares	29 796 841
Date of listing	05.04.2007
Market maker	Finasta Investment Bank

By virtue of the conditions laid down in the Group's loan agreements, payment of dividends to shareholders in previous years was limited. As a result of the refinancing of the syndicated loan contract in July 2012, it is now possible to pay dividends to shareholders if certain financial ratios are met. Payment of dividends is decided annually and it depends on the Group's results and potential investment needs. The share of AS Ekspress Grupp should be considered as a growth share.

The table below shows the stock trading history 2010-2013

Price (EUR)	Q1 2013	Q1 2012	Q1 2011	Q1 2010
Opening price	1.06	1.03	1.53	1.03
Closing price	1.19	1.06	1.65	1.28
High	1.22	1.18	1.84	1.48
Low	1.03	1.00	1.40	0.95
Average	1.09	1.11	1.69	1.17
Traded shares, pcs	369 352	216 975	1 501 989	727 313
Sales, millions	0.40	0.24	2.54	0.85
Capitalisation at balance sheet date, millions	35.46	31.61	49.02	26.69

The share price in euros and the trading statistics on OMX Tallinn Stock Exchange from 1 January 2009 until 31 March 2013.



The share price comparison with OMX Tallinn Stock Exchange index from 1 January 2009 until 31 March 2013



SUPERVISORY BOARD AND MANAGEMENT BOARD OF AS EKSPRESS GRUPP

The Supervisory Board of AS Ekspress Grupp has six members: Chairman of the Supervisory Board Viktor Mahhov and members of the Supervisory Board Aavo Kokk, Hans Luik, Harri Helmer Roschier, Ville Jehe and Kari Sakari Salonen.

Information about members of the Supervisory Board:

Viktor Mahhov

- Chairman of the Supervisory Board since 2006
- Financial Controller of Coca-Cola Hellenic in the Baltic States
- Completed graduate studies in economics at St. Petersburg University in 1992

Aavo Kokk

- Member of the Supervisory Board since 2010
- Management partner of Catella Corporate Finance OÜ
- Graduated from University of Tartu in 1990 with a degree in journalism

Hans H. Luik

- Member of the Supervisory Board since 2004
- Member of the Management Board of OÜ HHL Rühm
- Member of the Management Board of OÜ Minigert
- Graduated from University of Tartu in 1984 with a degree in journalism

Harri Helmer Roschier

- Member of the Supervisory Board since 2007
- Managing Director of Talentum Oy in 1991-2006
- Member of the Supervisory Board of Avaus Consulting OY and Uoma Oy
- Completed graduate studies in economics

Ville Jehe

- Member of the Supervisory Board since 2008
- Member of the Management Board of OÜ Majatohter, OÜ Catelit, ABC Kinnisvarateenuste OÜ, Cineunit OÜ, OÜ Primevision, OÜ Keha3, Ümera OÜ and Skü Mechatronics OÜ
- Graduated from Faculty of Automation of Tallinn University of Technology in 1993

Kari Sakari Salonen

- Member of the Supervisory Board since 2012
- Member of the Management Board of KJK Management SA
- Member of the Supervisory Board of KJK Capital OY
- Graduated from Espoo School of Economics in 1983

Management Board

Since April 2013, the Management Board of AS Ekspress Grupp has three members. It consists chairman of the Management Board Gunnar Kobin and members of the Management Board Pirje Raidma and Andre Veskimeister. In April, Madis Tapupere was recalled from the Management Board. He continues as Chairman of the Management Board and CEO of the subsidiary OÜ Ekspress Digital.

Information about the members of the Management Board:

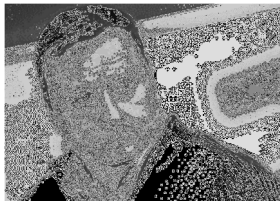
Gunnar Kobin

- Chairman of the Management Board since 2009
- CEO of the Group
- City Chairman of the Management Board of AS Ülemiste in 2005-2008
- Graduated from Tallinn University of Technology in 1993, specialising in production planning and management.



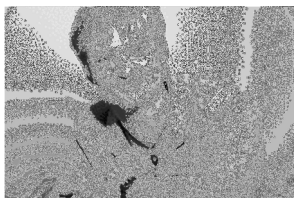
Andre Veskimeister

- Member of the Management Board since 2009
- Development Manager of the Group
- Head of development of AS Ülemiste City in 2006-2009
- Director of Finance and Support Services of Enterprise Estonia in 2003-2006
- Graduated from Estonian Business School in 2004, specialising in business management



Pirje Raidma

- Member of the Management Board since 2010
- Chief Financial Officer of the Group
- Auditor at auditing company PwC (worked in Estonia and the Channel Islands) in 1997 - 2005
- Finance and Administrative Director of LHV Group in 2005 - 2006
- Finance and Administrative Director of the investment bank GILD Bankers in 2006 - 2010
- Graduated from University of Tartu with a degree in international economy
- Certified Auditor and fellow of the Association of Chartered Certified Accountants, FCCA.



INTERIM CONSOLIDATED FINANCIAL STATEMENTS**Consolidated balance sheet (unaudited)**

(EUR thousand)	31.03.2013	31.12.2012
ASSETS		
Current assets		
Cash and cash equivalents	2 482	3 182
Trade and other receivables	6 754	7 344
Inventories	2 447	2 922
Total	11 683	13 448
Non-current assets held for sale	97	97
Total current assets	11 780	13 545
Non-current assets		
Term deposit	98	98
Trade and other receivables	380	365
Property, plant and equipment (Note 5)	14 494	14 841
Intangible assets (Note 5)	51 318	51 450
Total non-current assets	66 290	66 754
TOTAL ASSETS	78 070	80 299
LIABILITIES		
Current liabilities		
Borrowings (Note 6)	3 621	4 347
Trade and other payables	9 415	10 620
Total current liabilities	13 036	14 967
Non-current liabilities		
Long-term borrowings (Note 6)	23 319	24 233
Derivate financial instruments	3	0
Total non-current liabilities	23 322	24 233
Total liabilities	36 358	39 200
EQUITY		
Share capital (Note 9)	17 878	17 878
Share premium	14 277	14 277
Reserves (Note 9)	740	740
Retained earnings	8 823	8 190
Currency translation reserve	(6)	14
TOTAL EQUITY	41 712	41 099
TOTAL LIABILITIES AND EQUITY	78 070	80 299

The Notes presented on pages 26-38 form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q1 2013	Q1 2012
Sales revenue	13 809	14 219
Cost of sales	(10 996)	(11 420)
Gross profit	2 813	2 799
Marketing expenses	(498)	(469)
Administrative expenses	(1 541)	(1 702)
Other income	(28)	(34)
Other expenses	94	161
Operating profit	840	755
Interest income	0	3
Interest expense	(197)	(488)
Foreign exchange gains (losses)	16	(44)
Other finance costs	(16)	(22)
Net finance cost	(197)	(551)
Profit/(loss) on shares of associates	(7)	(27)
Profit/(loss) before income tax	636	177
Income tax expense	(3)	2
Net profit/(loss) for the reporting period	633	179
Net profit/(loss) for the reporting period attributable to:		
Equity holders of the parent company	633	179
Other comprehensive income/(expense)		
Currency translation differences	(20)	39
Profit/(loss) on change in value of a hedging instrument	0	62
Total other comprehensive income for the period	(20)	101
Comprehensive income/(expense) for the reporting period attributable to:	613	280
Equity holders of the parent company	613	280
Basic and diluted earnings per share (Note 8)	0.02	0.01

The Notes presented on pages 26-38 form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Share capital	Share premium	Reserves	Currency translation reserve	Retained earnings	Total equity
Balance on 31.12.2011	17 878	14 277	480	4	5 749	38 388
Profit/(loss) for the reporting period	0	0	0	0	179	179
Other comprehensive income/(expense)	0	0	62	39	0	101
<i>Total comprehensive income/(expense) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>62</i>	<i>39</i>	<i>179</i>	<i>280</i>
Balance on 31.03.2012	17 878	14 277	542	43	5 928	38 668
Balance on 31.12.2012	17 878	14 277	740	14	8 190	41 099
Profit/(loss) for the reporting period	0	0	0	0	633	633
Other comprehensive income/(expense)	0	0	0	(20)	0	(20)
<i>Total comprehensive income/(expense) for the reporting period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(20)</i>	<i>633</i>	<i>613</i>
Balance on 31.03.2013	17 878	14 277	740	(6)	8 823	41 712

The Notes presented on pages 26-38 form an integral part of the consolidated financial statements.

Consolidated cash flow statement (unaudited)

(EUR thousand)	Q1 2013	Q1 2012
Cash flows from operating activities		
Operating profit/(loss) for the reporting period	840	755
<u>Adjustments for:</u>		
Depreciation, amortisation and impairment (Note 5)	663	859
Gain (loss) on sale and write-downs of property, plant and equipment	(1)	0
Cash flows from operating activities:		
Trade and other receivables	587	(11)
Inventories	475	171
Trade and other payables	(1 215)	(684)
Cash generated from operations	1 349	1 090
Income tax paid	(15)	0
Interest paid	(197)	(488)
Net cash generated from operating activities	1 137	602
Cash flows from investing activities		
Purchase of other financial investments	15	0
Interest received	0	3
Purchase of property, plant and equipment (Note 5)	(187)	(181)
Proceeds from sale of property, plant and equipment	3	1
Loans granted	(2)	(1)
Loan repayments received	2	32
Net cash generated from investing activities	(199)	(146)
Cash flows from financing activities		
Finance lease repayments made	0	(388)
Change in use of overdraft	(745)	395
Change in use of factoring	0	160
Repayments of borrowings	(893)	(1 043)
Net cash used in financing activities	(1 638)	(876)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(700)	(420)
Cash and cash equivalents at the beginning of the period	3 182	2 729
Cash and cash equivalents at the end of the period	2 482	2 309

The Notes presented on pages 26-38 form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**Note 1. General information**

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

AS Ekspress Grupp (registration number 10004677, address: Narva mnt.11E, 10151 Tallinn) is a holding company registered and operating in the Republic of Estonia. The Group consists of the subsidiaries, joint ventures and associates listed below.

These interim financial statements were approved and signed by the Management Board on 2 May 2013.

The consolidated financial statements of AS Ekspress Grupp (hereinafter the Group) reflect the results of the following group companies.

Company name	Status	Ownership interest 31.03.2013	Ownership interest 31.12.2012	Main field of activity	Domicile
Operating segment: corporate functions					
AS Ekspress Grupp	Parent Company			Holding company and support services	Estonia
OÜ Ekspress Digital	Subsidiary	100%	100%	Provision of IT services	Estonia
OÜ Ekspress Finance	Subsidiary	100%	100%	Provision of financing within a Group	Estonia
Operating segment: periodicals					
AS Eesti Ajalehed	Subsidiary	100%	100%	Publishing of daily and weekly newspapers	Estonia
OÜ Hea Lugu	Subsidiary	100%	100%	Book publishing. From January 2013 fully owned by the parent. Previously, subsidiary of AS Eesti Ajalehed	Estonia
UAB Ekspress Leidyba	Subsidiary	100%	100%	Magazine publishing	Lithuania
Medipresa UAB	Associate	40%	40%	Periodicals' wholesale distribution	Lithuania
AS SL Õhtuleht	Joint venture	50%	50%	Newspaper publishing	Estonia
AS Ajakirjade Kirjastus	Joint venture	50%	50%	Magazine publishing	Estonia
AS Express Post	Joint venture	50%	50%	Periodicals' home delivery	Estonia
Operating segment: online media					
SIA Delfi Holding	Subsidiary	100%	100%	Management of online media subsidiaries	Latvia
AS Delfi	Subsidiary	100%	100%	Online media	Estonia
Saarmann Meedia OÜ	Subsidiary	-	100%	Merged with AS Delfi (Estonia) 11.03.2013	Estonia
Delfi AS	Subsidiary	100%	100%	Online media	Latvia
Delfi UAB	Subsidiary	100%	100%	Online media	Lithuania
TOV Delfi	Subsidiary	100%	100%	Online media	Ukraine
Operating segment: printing services					
AS Printall	Subsidiary	100%	100%	Printing services	Estonia

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for the 1st quarter of 2013 ended 31.03.2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements should be read together to the annual report for the financial year ended 31.12.2012.

The Management Board estimates that the interim consolidated financial statements for the 1st quarter of 2013 present a true and fair view of the Group's operating results, and all group companies are going concerns. These interim financial statements have neither been audited nor reviewed in any other way by auditors.

These consolidated interim financial statements are presented in thousands of euros, unless otherwise indicated.

Note 3. Financial risk management

The management of financial risks is an essential and integral part in managing the business processes of the Group. The ability of the management to identify, measure and verify different risks has a substantial impact on the profitability of the Group. The risk is defined by the management of the Group as a possible negative deviation from the expected financial performance.

Several financial risks are related to the activities of the Group, of which the more substantial ones include credit risk, liquidity risk, market risk (including foreign exchange risk, interest rate risk and price risk), operational risk and capital risk.

The risk management of the Group is based on the requirements established by the Tallinn Stock Exchange, Financial Supervision Authority and other regulatory bodies, compliance with the generally accepted accounting standards and good practice, internal regulations and policies of the Group and its subsidiaries. The management of risks at the Group level includes the definition, measurement and control of risks. The Group's risk management programme focuses on unpredictability of financial markets and finding of possibilities to minimise the potential negative impacts arising from this on the Group's financial activities.

The main role upon the management of risks is vested in the Management Board of the Parent Company and its subsidiaries. The Group assesses and limits risks through systematic risk management. For managing financial risks, the management of the Group has engaged the financial unit of the Group that deals with the financing of the Parent Company and its subsidiaries and hence also managing of liquidity risk and interest rate risk. The risk management at the joint ventures within the Group is performed in cooperation with the other shareholder of joint ventures.

Credit risk

Credit risk is expressed as a loss which may be incurred by the Group and is caused by the counterparty if the latter fails to perform its contractual financial obligations.

Credit risk arises from cash and cash equivalents, trade receivables, other short-term receivables and loans granted.

Since the Group invests available liquid funds in the banks with the credit rating of "A" they do not expose the Group to substantial credit risk.

Cash and bank accounts (incl. long-term deposits) by credit ratings of the banks they are held at

Bank name	Moody's	Standard & Poor's	31.03.2013	31.12.2012
SEB	A1	A+	229	332
Swedbank	A2	A+	2 286	2 823
Nordea/Danske	Aa3/Baa1	A-/AA-	22	83
Other banks	-	-	11	11
Total			2 548	3 251

The banks' latest long-term credit rating, which was shown on the bank's website, is used.

The payment discipline of clients is continuously monitored to reduce credit risk, a credit policy has been established to ensure the sale of services to clients with an adequate credit history and the application of prepayments to clients in a higher risk category. According to the credit policy, different client groups are subject to different payment terms, credit limits and potential payment holidays. Clients are classified on the basis of their size, reputation, and the results of credit background checks and history of payment behaviour. At the first level, the advertising clients are divided into two groups: advertising agencies and direct clients, they are further grouped according to the above principles. The Group applies the same credit policy in all Baltic States, but is aware of different credit behaviour of clients. While in Estonia invoices are generally paid when due, the usual practice in Latvia and Lithuania is to pay invoices 1-3 months past their due date and not to consider it as a violation of the credit discipline.

In the case of new clients, their credit background is checked with the help of financial information databases such as Krediidiinfo and other similar databases. Their payment behaviour is also initially monitored with heightened interest. Upon following the payment discipline, it is possible to receive more flexible credit terms, such as longer payment terms, higher credit limits, etc. Upon violation of the payment discipline, stricter credit terms are applied. In addition, in the periodicals segment, the Group's subsidiaries use a program that provides information to major media companies about their debtors.

In case of large transactions, in particular in the segment of printing services, clients are requested to make advance payment or provide any other guarantee.

The Group is not aware of any substantial risks related to its clients and partners. The management estimates that there is no substantial credit risk in the loans of related parties.

The Group's management has an opinion that credit risk is still high in a current economic situation and therefore, credit risk management remains a high-priority area. As a specific measure, the credit policies at the group companies have been harmonised and they have been made stricter. A regular reporting routine in respect of accounts receivable has been established, enabling the Group's management to receive immediate information and if necessary, to interfere.

Liquidity risk

Liquidity risk means that the Group may not have liquid funds to fulfil its financial obligations in a timely manner.

The objective of the Group is to maintain a balance between the financial need and financial possibilities of the Group. Cash flow planning is used as a means to manage the liquidity risk. To manage liquidity risk as effectively as possible, the bank accounts of the Parent Company and its subsidiaries comprise one cash-pool account which enables the members of the cash-pool account to use the finances of the Group within the limit established by the Parent Company. The cash-pool account operates in Estonia, but foreign subsidiaries in Latvia and Lithuania are also part thereof. According to the policy of the Group, all Group companies prepare long term cash flow forecast for the coming year which is amended on a quarterly basis. For monitoring short-term cash flows the subsidiaries that have joined the cash-pool account prepare detailed eight week cash flow projections on a weekly basis.

To manage the liquidity risk, the Group uses different financing sources which include bank loans, overdraft, continuous monitoring of trade receivables and delivery contracts.

Overdraft credit is used to finance working capital, long-term bank loans and finance lease agreements are used to make capital expenditures. The Group has high leverage, therefore liquidity risk management is one of the priorities of the Group.

Interest rate risk

Interest rate risk means that a change in interest rates results in a change in the cash flow and profit of the Group. The interest rates of loans granted and assumed by the Group are mainly related to Euribor.

The Group's interest rate risk is related to short-term and long-term borrowings which have been assumed with a floating interest rate. The interest rate risk is mainly related to the fluctuation of Euribor and the resulting change in average interest rates of banks. An interest rate change by 1 percentage point would change Group's loan interest expense ca. 270 thousand euros per year.

Type of interest	Interest rate	31.03.2013 (EUR thousands)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1 month Euribor + 2.5%	Syndicated loan (<i>Parent Company</i>)	3 148	17 362	20 510
	1 month Euribor + 2.5%	Syndicated loan (<i>Printall</i>)	473	5 957	6 430
	1 month Euribor + 1.9%	Overdraft	0	0	0

Type of interest	Interest rate	31.03.2013 (EUR thousands)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1 month Euribor + 2.5%	Syndicated loan (<i>Parent Company</i>)	2 972	18 118	21 090
	1 month Euribor + 2.5%	Syndicated loan (<i>Printall</i>)	630	6 115	6 745
	1 month Euribor + 1.9%	Overdraft	745	0	745

As of 31.03.2013, the Group has no derivative financial instruments to manage interest risk.

Between September 2008 and September 2012, the Group had entered into interest rate swap contracts with the banks that issued the syndicated loan in order to hedge fluctuations of Euribor totalling half of the loan amount. On the basis of the interest rate swap contract, the Group made fixed interest payments of 4.3%, receiving interest payments that had been calculated on the basis of 6-month Euribor in return. Interest payments and reduction in nominal amounts occurred twice a year, at the beginning of March and September. At the same dates, the interest rate of the syndicated loan was fixed, the latter being also 6-month Euribor.

Beginning of period	End of period	Nominal amount used for calculation (EUR thousand)
1.09.2010	1.03.2011	13 425
1.03.2011	1.09.2011	11 925
1.09.2011	1.03.2012	10 375
1.03.2012	3.09.2012	8 767

Foreign exchange risk

The Group's operating activities have an international dimension and therefore, the Group is exposed to foreign exchange risk to a certain degree. Foreign exchange risk arises when future business transactions or recognised assets or liabilities are fixed in a currency which is not the functional currency of the Company. Group companies are required to manage their foreign exchange risk with regard to functional currency. The Group's income is primarily fixed in local currencies, i.e. the euros, Lithuanian litas, Latvian lats and Ukrainian hryvnias. The Group also pays most of its suppliers and employees in local currencies. The subsidiaries are typically required to use the euro as the currency in foreign contracts. The subsidiary Printall exports also outside to Eurozone countries and it also earns revenue in Russian roubles, Norwegian kroner

and Swedish kronor. The amounts received are typically converted into euros immediately after their receipt, thereby reducing open foreign currency positions. Although Russian clients pay in currencies other than the euro, the invoices for the goods and services are denominated in euros and thus carry no foreign currency risk. With regard to other foreign currencies, ca. 4-8% of the Group's sales carry foreign currency risk. No other means are used for hedging foreign exchange risk.

Financial assets and financial liabilities by currency as of 31 March 2013.

(EUR thousand)	EUR	LTL	LVL	UAH	SEK	Other currencies	TOTAL
Assets							
Cash and cash equivalents	2 032	341	106	3	0	0	2 482
Trade and other receivables	4 562	1 420	566	35	188	43	6 814
Term deposit	0	98	0	0	0	0	98
Total financial assets	6 594	1 859	672	38	188	43	9 394
Liabilities							
Borrowings	26 941	0	0	0	0	0	26 941
Trade payables and accrued expenses	5 389	782	288	19	2	10	6 491
Derivative instruments	0	0	0	0	0	0	0
Total financial liabilities	32 330	782	288	19	2	10	33 432
Net foreign currency position	(25 736)	1 077	383	19	187	32	

Financial assets and financial liabilities by currency as of 31 December 2012.

(EUR thousand)	EUR	LTL	LVL	UAH	SEK	Other currencies	TOTAL
Assets							
Cash and cash equivalents	2 633	394	150	6	0	0	3 182
Trade and other receivables	4 942	1 461	571	38	354	56	7 422
Term deposit	0	98	0	0	0	0	98
Total financial assets	7 574	1 953	722	44	354	56	10 703
Liabilities							
Borrowings	28 580	0	0	0	0	0	28 580
Trade payables and accrued expenses	6 434	688	336	17	24	12	7 512
Derivative instruments	0	0	0	0	0	0	0
Total financial liabilities	35 014	688	336	17	24	12	36 091
Net foreign currency position	(27 440)	1 265	386	26	330	43	

Price risk

The management estimates that price risk does not have any substantial impact on the activities of the Group, because the company does not have any substantial investments in equity instruments.

Of the price risk related to raw materials, the price of paper affects the activities of the Group the most. In a situation where the majority of paper used in the production is purchased directly from producers at the base price without any commissions and the price is fixed for half a year in advance, and given that the volume of paper in the international scale is insignificant, the Group does not use derivative instruments to hedge the paper price risk.

Operational risk

Operational risk is a possible loss caused by insufficient or non-functioning processes, employees and information systems or external factors.

The involvement of employees in the risk assessment process improves the general risk culture. For performing transactions, systems of transaction limits and competences are used to minimise possible losses. The four-eye principle in use, under which the confirmation of at least two employees independent

of each other or that of a unit is necessary for the performance of a transaction or a procedure, reduces the possible occurrence of human errors and mistakes. The four-eye principle is also applied during negotiations related to purchase and sales as well as other transactions. Drafts of important agreements prepared by law offices are reviewed by the management; in-house lawyers are also involved in the work process. The management considers the legal protection of the Group to be good.

The management estimates that the dependence of the Group's activities on IT systems is higher than average and continuous investments are made to increase its security and reliability. The responsibility for managing operational risk lies with the Management Boards of the Group and the subsidiaries.

Capital risk

The main objective of the Group upon managing capital risk is to ensure the sustainability of the Group in order to ensure income for its shareholders and benefits for other stakeholders, while maintaining the optimal capital structure in order to reduce the price of capital.

According to the practice common in the industry, the Group uses the debt to capital ratio to monitor capital. The debt to capital ratio is calculated as the ratio of net debt to total capital. Net debt is calculated by deducting cash and bank accounts from total debt (short and long-term interest bearing liabilities recognised in the consolidated balance sheet). Total capital is recognised as the aggregate of equity and net debt. The ratio of equity to total assets (one of criteria measured quarterly according to syndicated loan contract) is also monitored. During the year the equity ratio of the Group has been in compliance with conditions set in the syndicate loan contract.

Equity ratios of the Group

(EUR thousand)	31.03.2013	31.12.2012
Interest-bearing debt	26 940	28 580
Cash and bank accounts	2 580	3 280
Net debt	24 360	25 300
Equity	41 712	41 099
Total capital	66 072	66 399
Debt to capital ratio	37%	38%
Balance sheet total	78 070	80 299
Equity ratio	53%	51%

Note 4. Business combinations

In October 2012, Lithuanian companies Delfi UAB and UAB Alio concluded a contract for acquisition of classified ads portal and newspaper on 1 November 2012 that operates in the Lithuanian market under one of the oldest and best-known brand names *Alio reklama*. UAB Alio continues its business with other operations under old name Delfi UAB acquired classified ads business with all employees related to it. EUR 434 thousand was paid in cash for the transaction. Upon acquisition of Alio the fair value of trademark was recognised in the amount of EUR 102 thousand by the management and goodwill arose in the amount of EUR 332 thousand, the allocation of which can be adjusted by the management within one year.

The table below presents an overview of acquired identifiable assets and liabilities at the time of acquisition. For preparation of the purchase analysis, the balance sheet of Alio as of 31 October 2012 was used as the basis.

(EUR thousand)	Alio	
	Fair value	Carrying amount
Trademark	102	0
Total identifiable assets	102	0
Goodwill	332	
Cost of acquired ownership interest	434	
Cash paid for ownership interest	434	
Cash and cash equivalents in acquired company	0	
Total cash effect on the company	(434)	

Note 5. Property, plant and equipment and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	Q1 2013	Q1 2012	Q1 2013	Q1 2012
Balance at beginning of the period				
Cost	29 590	30 376	57 591	57 519
Accumulated depreciation and amortisation	(14 749)	(13 625)	(6 141)	(5 549)
Carrying amount	14 841	16 751	51 450	51 970
Acquisitions and improvements	141	120	46	61
Disposals (at carrying amount)	(1)	0	0	0
Write-offs and write-downs of PPE	(1)	(1)	0	0
Depreciation and amortisation	(486)	(564)	(177)	(295)
Exchange rate correction	0	0	(1)	0
Balance at end of the period				
Cost	29 684	30 349	57 626	57 580
Accumulated depreciation and amortisation	(15 190)	(14 043)	(6 308)	(5 844)
Carrying amount	14 494	16 306	51 318	51 736

Information about the items of non-current assets pledged as loan collateral is disclosed in Note 6.

Intangible assets by type

(thousand)	EUR	
	31.03.2013	31.12.2012
Goodwill	41 093	41 093
Trademarks	9 470	9 542
Other intangible assets	755	815
Total intangible assets	51 318	51 450

Carrying amount of trademarks by segment

(thousand)	EUR	
	31.03.2013	31.12.2012
Online media	7 256	7 300
Periodicals	2 214	2 242
Total trademarks	9 470	9 542

Goodwill by cash generating units and segments

(thousand)	EUR	
	31.03.2013	31.12.2012
Delfi Estonia	15 281	15 281
Delfi Latvia	9 390	9 390
Delfi Lithuania	12 517	12 517
Alio (Delfi Lithuania)	332	332
Online media segment	37 520	37 520
Eesti Päevaleht (incl. hyppelaud.ee) (Eesti Ajalehed)	1 102	1 102
Ajakirjade Kirjastus	456	456
Ekspress Leidyba	199	199
Maaleht (Eesti Ajalehed)	1 816	1 816
Periodicals segment	3 573	3 573
Total goodwill	41 093	41 093

Note 6. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term	
		Up to 1 year	1-5 years
Balance on 31.03.2013			
Overdraft facilities	0	0	0
Long-term bank loans	26 940	3 621	23 319
<i>incl. syndicated loan (AS Ekspress Grupp)</i>	20 510	3 148	17 362
<i>incl. syndicated and mortgage loan (AS Printall)</i>	6 430	473	5 957
Total	26 940	3 621	23 319
Balance on 31.12.2012			
Overdraft facilities	745	745	0
Long-term bank loans	27 835	3 602	24 233
<i>incl. syndicated loan (AS Ekspress Grupp)</i>	21 090	2 972	18 118
<i>incl. syndicated and mortgage loan (AS Printall)</i>	6 745	630	6 115
Total	28 580	4 347	24 233

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

Refinancing of loan obligations in July 2012

On 12 July 2012, a new syndicated loan contract was signed for refinancing the loan and lease obligations of AS Ekspress Grupp and AS Printall in the total amount of EUR 29.3 million. Previous obligations were paid off with the new loan. The company did not take any additional loans. The parties to the new contract include AS SEB Pank, Nordea Bank Estonia branch, AS Ekspress Grupp and AS Printall. The refinancing transaction was completed on 23 July 2012.

The break-down of the total loan amount according to the loan contract in the amount of EUR 29.3 million is as follows:

(EUR thousand)	New loan principal	Term of annuity payments
Syndicated loan granted to AS Ekspress Grupp	22 300	7 years
Mortgage loan granted to AS Printall	5 000	12 years
Loan granted to AS Printall	2 000	7 years
Total liabilities	29 300	

The loan will mature on 25 July 2017. Interest is based on one-month Euribor, plus a margin of 2.5%. Upon expiry of the loan contract, the outstanding loan balance is ca. 11 million.

Together with the syndicated loan, all overdraft facilities of AS Ekspress Grupp were also refinanced. The contract with Danske Bank Estonia branch was terminated and the limit with the remaining contractual partners of the syndicated loan contract was increased to EUR 3 million. The interest rate on overdraft facilities is 1.9% and the limit fee is 1% of the contract amount.

Similarly to the previous syndicated loan, the loans are secured by the shares of the subsidiaries, the guarantees of Estonian subsidiaries in the amount of EUR 37 million, the commercial pledge on the assets of AS Printall in the amount of EUR 16 million and the trademarks of Delfi, Eesti Ekspress, Maaleht, Eesti Päevaleht and Eesti Ekspressi Kirjastus in the amount of EUR 5 million, all which value of the assets set as collateral is included already within the net assets of the Group. In addition the mortgage on the registered immovable and production facilities of AS Printall in the amount of EUR 9 million has been set. As of 31.03.2013, the carrying amount of the building was EUR 3.9 million (31.12.2012: EUR 4.0 million) and the carrying amount of the registered immovable was EUR 0.4 million (31.12.2012: EUR 0.4 million).

According to the conditions of the loan agreement, the borrower must comply with certain loan covenants, such as the equity ratio (equity/total assets), total debt/EBITDA ratio and the debt-service coverage ratio. As of the balance sheet date all financial ratios were in compliance with the loan covenants set in the loan contract.

In the course of the same transaction, the interest swap contract entered into between AS Ekspress Grupp and Danske Bank, as well as the factoring contract between AS Printall and Danske Bank were terminated.

Overdraft facilities (refinanced on 23 July 2012)

Date of contract	Bank	Limit (EUR thousand)	Used 31.03.2013 (EUR thousand)	Interest rate	Expiration date of the contract
12.07.2012	Nordea Bank Finland Plc Estonia branch	1 320	0	1 month Euribor + 1.9%	25.07.2017
12.07.2012	AS SEB Pank	1 680	0	1 month Euribor + 1.9%	25.07.2017
Total		3 000	0		

Note 7. Segment reporting

The management has determined the operating segments based on the reports reviewed by the Management Board of the Parent Company AS Ekspress Grupp. The Management Board considers the business from the product perspective. The Company's internal management structure has been divided between the following business segments which have different economic characteristics.

Online media: managing online news portals and classified portals, intermediation of internet advertising services.

This segment includes group companies AS Delfi, AS Delfi (Latvia), UAB Delfi (Lithuania), TOV Delfi (Ukraine), and Delfi Holding SIA (Latvia).

Periodicals: publishing of newspapers, magazines, customer publications and books in Estonia and Lithuania. This segment includes group companies AS Eesti Ajalehed (publisher of Eesti Ekspress, Maaleht and Eesti Päevaleht), OÜ Hea Lugu, AS Ajakirjade Kirjastus, AS SL Õhtuleht and UAB Ekspress Leidyba. This segment also includes AS Express Post, engaged in home delivery of periodicals.

Printing services: rendering of printing and related services. This segment includes the group company AS Printall.

The Group's corporate functions are shown separately and they do not form a separate business area. It includes the Parent Company AS Ekspress Grupp, subsidiary OÜ Ekspress Digital (established in March 2012) that provides intra-group IT services, and OÜ Ekspress Finance (established in December 2012 during the demerger of AS Printall), the main activity of which is intra-group refinancing.

The Management Board assesses the performance of the operating segments based on revenue, EBITDA and the EBITDA margin. Volume-based and other fees payable to advertising agencies have not been deducted from the advertising sales of segments, because the Group's management monitors the gross income of companies and segments. Discounts and volume rebates are reported as a reduction of the Group's sales and are shown in the aggregate line of eliminations. Internal management fees and goodwill impairment are not included in segment results.

According to the estimate of the Parent Company's management, the inter-segment transactions have been carried out at arm's length conditions and they do not differ significantly from the conditions of the transactions concluded with third parties.

2013 Q1 (EUR thousand)	Online media	Periodi- cals	Printing services	Corporate functions	Elimin- ations	Total Group
Sales to external customers	2 429	5 675	5 948	1	(244)	13 809
Inter-segment sales	8	68	669	354	(1 099)	0
Total segment sales	2 437	5 743	6 617	355	(1 343)	13 809
EBITDA	84	210	1 414	(206)	1	1 503
EBITDA margin	3%	4%	21%			11%
Depreciation (Note 5)						(663)
Operating profit						840
Investments (Note 5)						187

2012 Q1 (EUR thousand)	Online media	Periodi- cals	Printing services	Corporate functions	Elimin- ations	Total Group
Sales to external customers	2 138	5 718	6 597	0	(234)	14 219
Inter-segment sales	49	63	779	140	(1 031)	0
Total segment sales	2 187	5 781	7 376	140	(1 265)	14 219
EBITDA	238	21	1 529	(174)	0	1 614
EBITDA margin	11%	0%	21%			11%
Depreciation (Note 5)						(859)
Operating profit						750
Investments (Note 5)						182

Note 8. Earnings per share

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

EUR	Q1 2013	Q1 2012
Profit attributable to equity holders	633 433	179 336
The average number of ordinary shares	29 796 841	29 796 841
Basic and diluted earnings per share	0.02	0.01

In view of the fact that the Group has no dilutive potential ordinary shares on 31.03.2013 and 31.03.2012, **diluted earnings per share** equal basic earnings per share.

Note 9. Equity**Share capital and share premium**

As of 31 December 2011, 31 December 2012 and 31 March 2013, the share capital of AS Ekspress Grupp was EUR 17 878 105 and it consists of 29 796 841 shares with the nominal value of EUR 0.60 per share. The maximum amount of share capital as stipulated by the articles of association is EUR 25 564 656.

Reserves

The reserves include statutory reserve capital required by the Commercial Code and additional monetary contributions as a general-purpose additional equity contribution by a founding shareholder.

(EUR thousand)	31.03.2013	31.12.2012
Statutory reserve capital	101	101
Additional payments in cash from shareholders	639	639
Total reserves	740	740

Note 10. Contingent liabilities

The Group's subsidiaries have several pending court cases, but their effect on the Group's financial results is insignificant.

Note 11. Related party transactions

Transactions with related parties are transactions with shareholders, associates, joint ventures, members of the Supervisory and Management Board of all group companies (incl. managing directors of subsidiaries), their immediate family members and the companies under their control or significant influence.

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

The Group has purchased from (goods for resale, manufacturing materials, non-current assets) and sold its goods and services to (lease of non-current assets, management services, other services) to the following related parties:

Sales

(EUR thousand)	Q1 2013	Q1 2012
Sales of goods		
Associates	169	210
Total sale of goods	169	210
Sale of services		
Members of Supervisory Board and companies related to them	1	1
Associates and joint ventures	180	186
Total sale of services	181	187
Total sales	350	397

Purchases

(EUR thousand)	Q1 2013	Q1 2012
Purchase of services		
Members of Supervisory Board Management Board and companies related to them	13	25
Members of Management Board and companies related to them	93	94
Associates and joint ventures	206	112
Total purchases of services	312	231
Purchases of services	312	231

Receivables

(EUR thousand)	31.03.2013	31.12.2012
Short-term receivables		
Associates and joint ventures	372	610
Total short-term receivables	372	610
Long-term receivables		
Members of Supervisory Board and companies related to them	192	192
Total long-term receivables	192	192
Total receivables	564	802

Liabilities

(EUR thousand)	31.03.2013	31.12.2012
Current liabilities		
Members of Management Board and companies related to them	5	4
Members of Supervisory Board and companies related to them	12	12
Associates and joint ventures	39	42
Total liabilities	56	58

According to the decision of the General Meeting held on 2 June 2009 and 4 May 2012, Hans H. Luik will be paid a guarantee fee of 1.5% per annum on the guarantee amount for the personal guarantee of EUR 4 million on the syndicated loan and overdraft agreements until the guarantee expires. In 2012, the payment amount was EUR 60 thousand (2011: EUR 58 thousand) and there are no outstanding liabilities as of 31.03.2013 and 31 December 2012.

The management estimates that the transactions with related parties have been carried out at arms' length conditions. As of 31.03.2013, the allowance for a receivable from the associate Medipresa UAB has been made in amount of EUR 70 thousand (31.12.2012: EUR 63 thousand) in accordance with the ownership interest in the negative equity of Medipresa UAB.

Remuneration of members of the Management and Supervisory Boards of all group companies

	Q1 2013	Q1 2012
Salaries and other benefits (without social tax)	252	296
Termination benefits (without social tax)	0	21
Total (without social tax)	252	317

The members of all management boards of the group companies (incl. managing directors of subsidiaries if these companies do not have management board as per Estonian law) (hereinafter Key Management) are entitled to receive compensation upon expiry or termination of their contracts in accordance with the terms laid down in their employment contracts. The Key Management terminations benefits are payable only in case the termination of contracts is originated by the company. If a member of the Key Management is recalled without a substantial reason, a notice thereof shall be given up to 3 months in advance and the member shall be paid compensation for termination of the contract in the amount of up to 7 months' salary. Upon termination of an employment relationship, no compensation shall be paid if a member of the Key Management leaves at his or her initiative or if a member of the Key Management is removed by the Supervisory Board with a valid reason. As of 31.03.2013, the maximum gross amount of potential Key Management termination benefits was EUR 375 thousand (31.03.2012: EUR 459 thousand). No remuneration is paid separately to the members of the Supervisory Boards of the Group companies and no compensation is paid if they are recalled.

Note 12. Sustainability of operations

As of 31.03.2013, the Group's current liabilities exceeded current assets by EUR 1.3 million. The Group's consolidated financial statements have been prepared on the going concern principle, as the management estimates that negative working capital will not cause any financial difficulties for the Group during 12 months from the date of signing the financial statements. Also the Group has an unused overdraft facility in the amount of EUR 3.0 million. In addition client's prepayments for subscriptions, which are recognised as liabilities in the balance sheet in amount of EUR 2.4 million at the quarter end are not to be paid out but recognised as income during following subscription period. Information about liquidity risk and the measures used to manage the risk is disclosed in more detail in Note 3.

Note 13. Events after the balance sheet date

In April, Rocketfeeds OÜ and AS Delfi, the subsidiary of AS Ekspress Grupp, concluded a sales and purchase agreement, under which AS Delfi will acquire the online game portal Mängukoobas. The transaction price is EUR 7 000.