AS EKSPRESS GRUPP

CONSOLIDATED INTERIM REPORT

FOR THE SECOND QUARTER AND HALF YEAR OF

2013

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GENERAL INFORMATION

Beginning of reporting period	1 January 2013
End of reporting period	30 June 2013
Company name	AS Ekspress Grupp
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Phone	669 8381
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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 42 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	*signed digitally*	01.08.2013
Pirje Raidma	Member of the Management Board	*signed digitally*	01.08.2013
Andre Veskimeister	Member of the Management Board	*signed digitally*	01.08.2013

MANAGEMENT REPORT

In the 2nd quarter of this year, Ekspress Grupp earned net profit of EUR 1.4 million as compared to EUR 972 thousand a year before which is 44% higher. EBITDA was 6% lower than last year, i.e. EUR 2.4 million as compared to EUR 2.5 million last year. We are satisfied with both results as they exceeded our forecasts published in the last quarter's report. We expected net profit to increase by 30% and EBITDA to decrease by 7%. The EBITDA margin for the quarter fell by 0.2 percentage points as compared to the same period last year.

In the first half of 2013, we earned net profit in the amount of EUR 2 million which is 76% higher than in the same period last year and EBITDA was 6% lower than last year, totalling EUR 3.9 million. The EBITDA margin in the first half of the year fell by 0.4 percentage points as compared to last year.

By the end of the 2nd quarter we have significantly lowered the company's debt, and attained a total debt/EBITDA ratio of 3.4. The debt service coverage ratio has improved to 1.84 by the end of the quarter.

The results in the quarter were marked by the decline of efficiency in the online segment, primarily related to the cost of launching various new projects, which hindered profit growth while sales were growing, as well as deficit in the advertising revenue of print media. In the printing services segment, our revenue has decreased but we have managed to maintain profit at last year's level and hence increased profitability.

In the **online segment** Delfi Estonia and Delfi Lithuania have managed to maintain their profits on last year's level in the 2nd quarter. At the same time EBITDA of Latvia failed to meet last year's result, unlike in the 1st quarter when Latvia was the only one to improve its result as compared to last year. The reason for Delfi Latvia's underperformance is the increase in costs related to the hiring of additional editors in the autumn of last year. While Delfi Lithuania managed to attain last year's level, it failed to cover the shortfall of the 1st quarter in the result for the half year. In the first months of the quarter, the position of overdue accounts receivable improved considerably, but we were forced to increase discounts again in June. Cooperation projects which moved from the 1st quarter to the 2nd quarter in Lithuania have been partially launched.

In the online segment, we have laid great emphasis on the creation of new online verticals and growth of video production. New projects included the launch and further development of three online verticals in Lithuania in the first half of the year, using primarily our own magazine trademarks as the basis. In Estonia, we launched a travel portal Reisijuht.ee at the end of the quarter which we also plan to introduce in Latvian and Lithuanian markets. The travel portal cooperates with the publisher Telegraph Media Group of Great Britain. In all the countries we have continued with video live-streaming both in the fields of culture as well as sports.

In May, we concluded an agreement for the acquisition of the company that operates the portal Calis.lv in Latvia. The transaction was completed in July this year. The portal is targeted at women, primarily at young mothers. We plan to strengthen the portal through different thematic content and for this reason we have acquired the Baltic content rights from the German publisher Grüne und Jahr.

In summary, it can be said about the online segment that the launch of new projects and video production has temporarily lowered the efficiency of the segment but it should improve once the projects are launched.

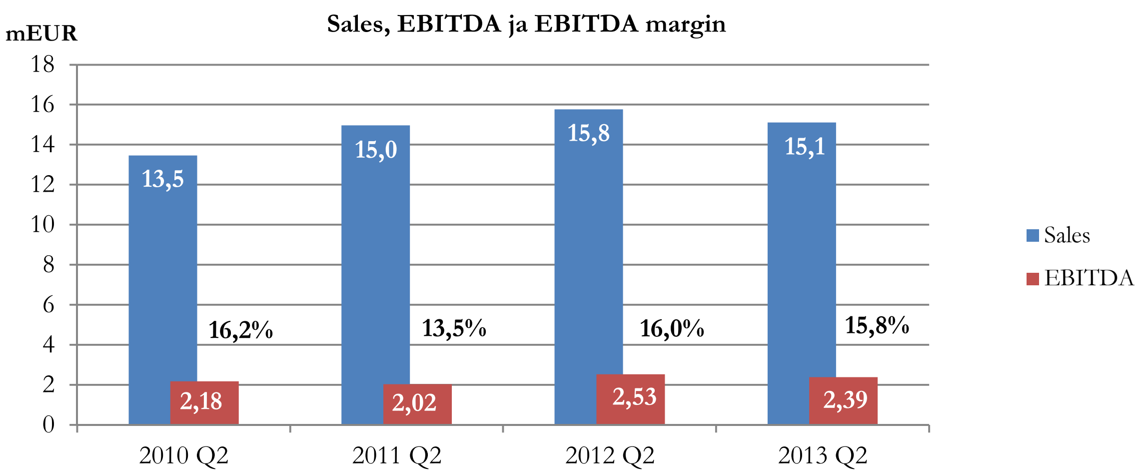
As expected, the **periodicals segment** is under great pressure. The advertising sales of the segment declined by almost 5% and retail sales by almost 9% as compared to last year. We are happy that the sales generated by subscribers stayed at the same level as last year and the growth of digital subscribers was 50% as compared to the same period last year. As compared to the last quarter, we have increased the number of digital subscribers by approximately 10%. The decline in advertising sales is primarily attributable to the decline in the number of employment ads, as well as migration of retail ads to TV. At the same time we are witnessing positive trends in the magazine advertising sales, where the year started off very slowly, but the 2nd quarter was at the same level as last year.

In the **printing services segment,** we have compensated the sales decline which started in the middle of the 1st quarter by increasing efficiency in production process, due to which our profitability has not suffered. The reasons for the sales decline are related to the weakness in export markets and the situation at the printing works where the high utilisation of machines hindered sales growth. Compensation of lower customer orders which unexpectedly started at the beginning of the year by new clients has been delayed. However, due to our low market share in different export markets we are confident that we will also be able to compensate for the sales decline in the second half of the year.

In the **third quarter of the year** we expect revenue to remain at last year's level, EBITDA to increase by 5-10% and net profit to double. First and foremost, we expect better results in the online segment as compared to the same quarter last year, as well as higher profitability of magazine publishing as compared to last year which should compensate for the weakness of weekly and daily newspapers in the periodicals segment. With regard to the printing services segment, we expect to maintain last year's level. Net profit growth will primarily be achieved through lower interest expenses as compared to last year.

KEY FINANCIAL INDICATORS AND RATIOS

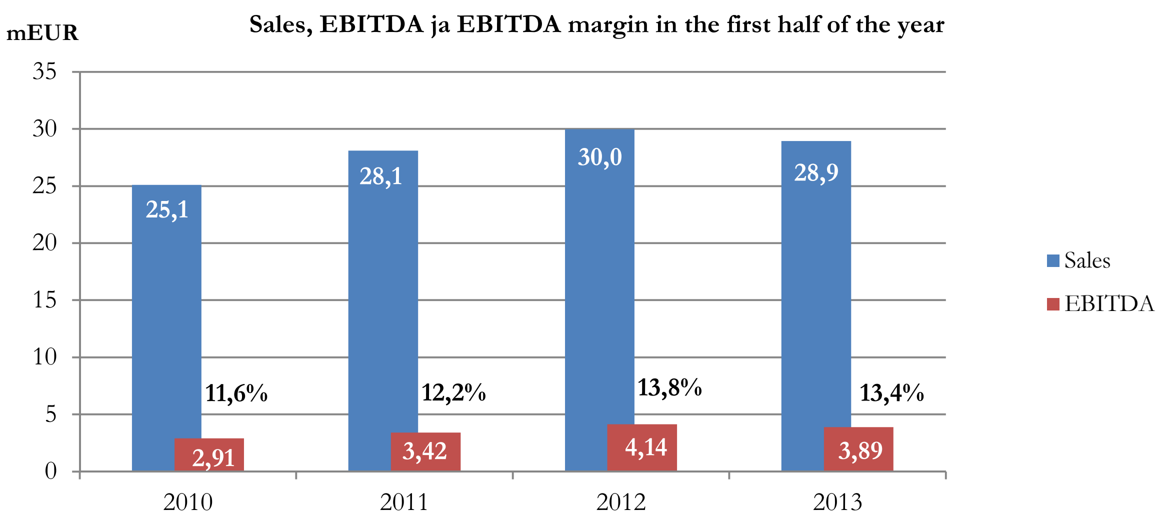
(EUR thousand)	Q2 2013	Q2 2012	Change %	Q2 2011	Q2 2010
For the period					
Sales	15 115	15 762	-4%	14 963	13 454
Gross profit	3 782	3 795	0%	3 388	3 368
EBITDA	**2 385**	**2 526**	**-6%**	**2 024**	**2 179**
Operating profit	1 741	1 670	4%	1 134	1 349
Interest expenses	178	553	68%	576	694
Net profit/(loss) for the period	**1 397**	**972**	**44%**	**394**	**669**
EBITDA margin (%)	**15.8%**	**16.0%**		**13.5%**	**16.2%**
Operating margin (%)	11.5%	10.6%		7.6%	10.0%
Net margin (%)	**9.2%**	**6.2%**		**2.6%**	**5.0%**
ROA (%)	1.8%	1.2%		0.5%	0.8%
ROE (%)	3.3%	2.5%		1.0%	2.0%
Earnings per share (EPS)	**0.05**	**0.03**		**0.01**	**0.03**

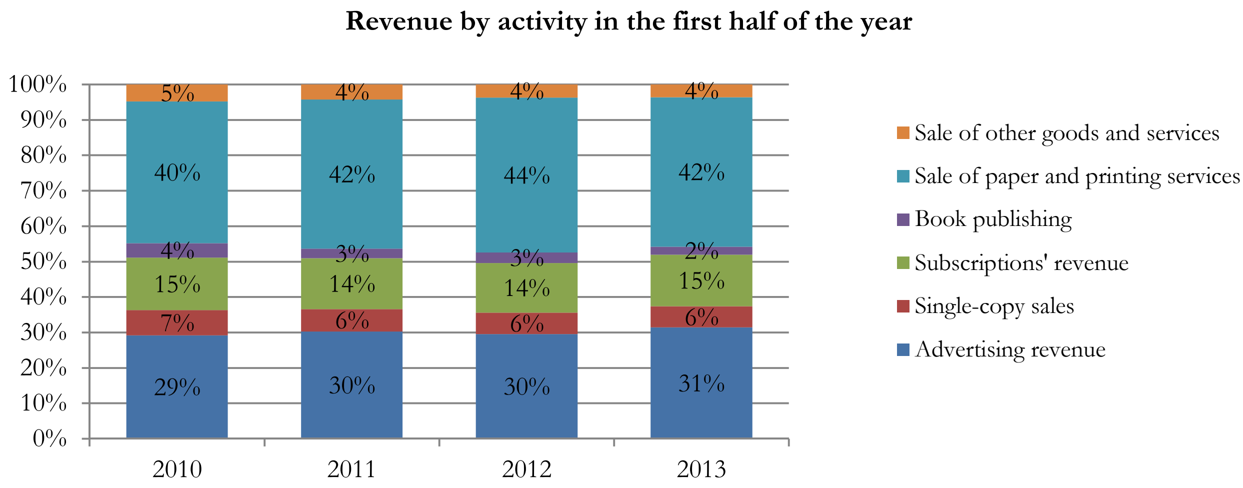


(EUR thousand)	Half year 2013	Half year 2012	Change %	Half year 2011	Half year 2010
For the period					
Sales	28 925	29 982	-4%	28 109	25 112
Gross profit	6 596	6 595	0%	6 005	5 433
EBITDA*	**3 888**	**4 141**	**-6%**	**3 418**	**2 912**
Operating profit*	2 582	2 427	6%	1 690	1 249
Interest expenses	374	1 041	64%	1 135	1 318
Net profit / (loss) from continuing operations*	**2 032**	**1 154**	**76%**	**240**	**(460)**
EBITDA margin* (%)	**13.4%**	**13.8%**		**12.2%**	**11.6%**
Operating margin* (%)	8.9%	8.1%		6.0%	5.0%
Net margin* (%)	**7.0%**	**3.8%**		**0.9%**	**-1.8%**
Extraordinary gain related to acquisition of Eesti Päevalehe AS**	0	0		1 540	0
Net profit / (loss) from continuing operations for the period in the financial statements	2 032	1 154	76%	1 780	(460)
Net profit / (loss) for the period in the financial statements	2 032	1 154	76%	1 780	(97)
Net margin (%)	7.0%	3.8%		6.3%	-0.4%
ROA (%)	2.6%	1.4%		2.1%	-0.1%
ROE (%)	4.8%	3.0%		4.7%	-0.3%
Earnings per share (EPS)	**0.07**	**0.04**		**0.06**	**(0.00)**

*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 was acquired in Eesti Päevalehe AS. 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.





Balance sheet (EUR thousand)	30.06.2013	31.12.2012	Change %
As of the end of the period			
Current assets	12 788	13 545	-6%
Non-current assets	66 002	66 754	-1%
Total assets	**78 790**	**80 299**	-2%
incl. cash and bank accounts	*3 372*	*3 280*	*3%*
incl. goodwill	*41 093*	*41 093*	*0%*
Current liabilities	13 417	14 967	-10%
Non-current liabilities	22 555	24 233	-7%
Total liabilities	**35 972**	**39 200**	-8%
incl. borrowings	*26 170*	*28 580*	*-8%*
Equity	42 822	41 099	4%

Financial ratios (%)	30.06.2013	31.12.2012
Equity ratio (%)	54%	51%
Debt to equity ratio (%)	61%	70%
Debt to capital ratio (%)	35%	38%
Total debt/EBITDA ratio	3.4	3.6
Debt service coverage ratio	1.84	1.52
Liquidity ratio	0.95	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/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 bank accounts (net debt)/(net debt+ equity) x 100
Total debt/EBITDA	Interest bearing borrowings/EBITDA
Debt service coverage ratio (DSCR)	EBITDA/loan and interest payments for the period
Liquidity ratio	Current assets/current liabilities

Formulas used to calculate the financial ratios	
ROA (%)	Net profit/average assets x 100
ROE (%)	Net profit/average equity x 100

OVERVIEW OF THE SEGMENTS

The Group operates in the following operating segments:

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

Cyclicality

All operating areas of the Group are characterised by cyclicality and fluctuation, related to the changes in the overall economic conditions and consumer confidence. The Group's revenues can be adversely affected by an economic slowdown or recession. It can appear in lower advertising costs in retail and housing sectors, preference of other advertising channels and changes in consumption habits of retail consumers.

Seasonality

The revenue from the Group's advertising sales as well as in the printing services segment is impacted by major seasonal fluctuations. The level of both types of revenue is the highest in the 2nd and 4th quarter of each year and the lowest in the 3rd quarter. Revenue is higher in the 4th quarter because of the higher consumer spending during the Christmas season, with the attendant peaks in advertising expenditure. Advertising expenditure is usually the lowest during the summer months, as well as during the first months of the year following Christmas and New Year's celebrations.

Key financial data of the segments Q2 2013/2012

(EUR thousand)	Sales			EBITDA		
	Q2 2013	Q2 2012	Change %	Q2 2013	Q2 2012	Change %
online media	3 224	2 912	11%	730	743	-2%
periodicals	5 947	6 606	-10%	259	392	-34%
printing services	7 131	7 482	-5%	1 599	1 563	2%
corporate functions	385	279	38%	(204)	(173)	-18%
intersegment eliminations	(1 572)	(1 517)	-4%	1	1	0%
TOTAL GROUP	**15 115**	**15 762**	**-4%**	**2 385**	**2 526**	**-6%**

EBITDA margin	Q2 2013	Q2 2012
online media	23%	26%
periodicals	4%	6%
printing services	22%	21%
TOTAL	**16%**	**16%**

Key financial data of the segments 1st half year 2013/2012

(EUR thousand)	Sales			EBITDA		
	Half year 2013	Half year 2012	Change %	Half year 2013	Half year 2012	Change %
online media	5 660	5 099	11%	814	981	-17%
periodicals	11 690	12 387	-6%	469	413	14%
printing services	13 749	14 858	-7%	3 013	3 093	-3%
corporate functions	740	420	76%	(410)	(347)	-18%
intersegment eliminations	(2 914)	(2 782)	-5%	2	1	100%
TOTAL GROUP	**28 925**	**29 982**	**-4%**	**3 888**	**4 141**	**-6%**

EBITDA margin	Half year 2013	Half year 2012
online media	14%	19%
periodicals	4%	3%
printing services	22%	21%
TOTAL	**13%**	**14%**

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 Estonia	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.ohtuleht.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	AS Eesti Ajalehed	www.ekspressjob.ee
			www.ekspressauto.ee
			www.hyppelaud.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		
	Q2 2013	Q2 2012	Change %	Q2 2013	Q2 2012	Change %
Delfi Estonia	1 154	1 009	14%	178	176	1%
Delfi Latvia	678	613	11%	30	73	-59%
Delfi Lithuania	1 377	1 269	9%	452	459	-2%
Delfi Ukraine	15	21	-29%	(49)	(68)	28%
other Delfi companies	0	0	-	120	105	15%
intersegment eliminations	0	0	-	(1)	(2)	-
TOTAL	**3 224**	**2 912**	**11%**	**730**	**743**	**-2%**

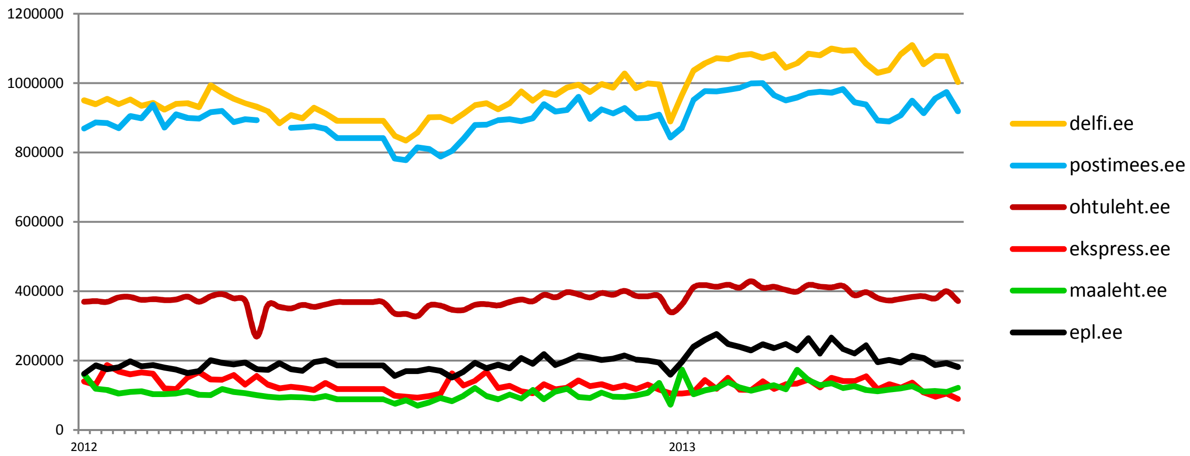
(EUR thousand)	Sales			EBITDA		
	Half year 2013	Half year 2012	Change %	Half year 2013	Half year 2012	Change %
Delfi Estonia	2 005	1 808	11%	149	221	-33%
Delfi Latvia	1 198	1 092	10%	69	66	5%
Delfi Lithuania	2 432	2 158	13%	495	628	-21%
Delfi Ukraine	25	35	-29%	(108)	(135)	20%
other Delfi companies	0	6	-100%	210	204	3%
intersegment eliminations	0	0	-	(1)	(3)	-
TOTAL	**5 660**	**5 099**	**11%**	**814**	**981**	**-17%**

In the 2nd quarter, sales growth in the online segment continued at the same pace as at the beginning of the year; however, June was slower than expected. Sales growth is driven by several new products, such as video streaming etc, which require significant expenditure and due to which profitability suffers. However, these represent new trends in online media with good prospects. Additional editorial staff has helped to improve the quality of our content and attracted new unique users, although it has negatively impacted EBITDA. In all the countries, Delfi has reached new record highs both in terms of the number of users as well as pageviews. At the same time continuous optimisation of processes and costs is taking place.

Delfi Estonia

- Delfi Estonia continued its live broadcasts of sports events (broadcasts of basketball matches, etc.), followed by broadcasts of various cultural events, such as Tallinn Music Week, Jazzkaar, etc.
- A new business website Ärileht www.arileht.ee was launched in cooperation with Eesti Päevaleht.
- New travel portal www.reisijuht.ee.
- New baby-blog in cooperation with the clinic Fertilitas.
- The subportals of Eesti Elu and Naisteka got a facelift.

Estonian online readership 2012-2013



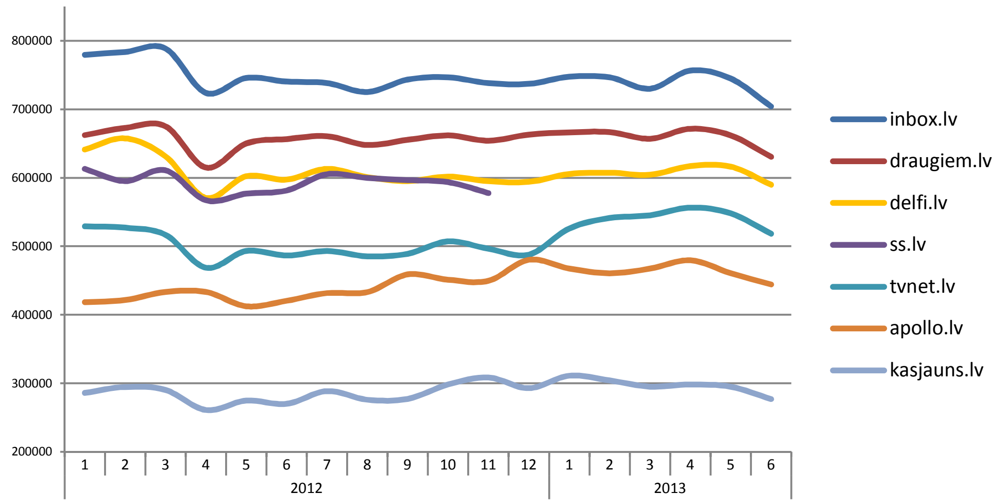
TNSMetrix weekly audience survey

Delfi continues to be the largest online environment in Estonia. In the 2nd quarter of 2013, the gap between Delfi and Postimees widened considerably on a weekly basis, reaching 176 thousand users in favour of Delfi in week 20. In the same week, delfi.ee reached the highest ever number of users, with 1 109 305 users on a weekly basis. Delfi outperformed Postimees also in terms of the number of mobile users, reaching 190 thousand mobile users in week 23. The use of other internet environments has been stable and without any major changes in Estonia.

Delfi Latvia

- A new home and garden portal was launched.
- A new travel portal was launched with Delfi Estonia and Delfi Lithuania.
- All Delfi channels and verticals received a facelift.
- Other cooperation projects in various fields:
  - Media partner for Nordea Riga Marathon,
  - Official news portal for Rally of Champions,
  - Official cooperation partner of the advertising festival "Golden Hammer".
- Based on the survey by DDB, Delfi remains the most popular and influential brand in Latvian social media.

Latvian online readership 2012-2013



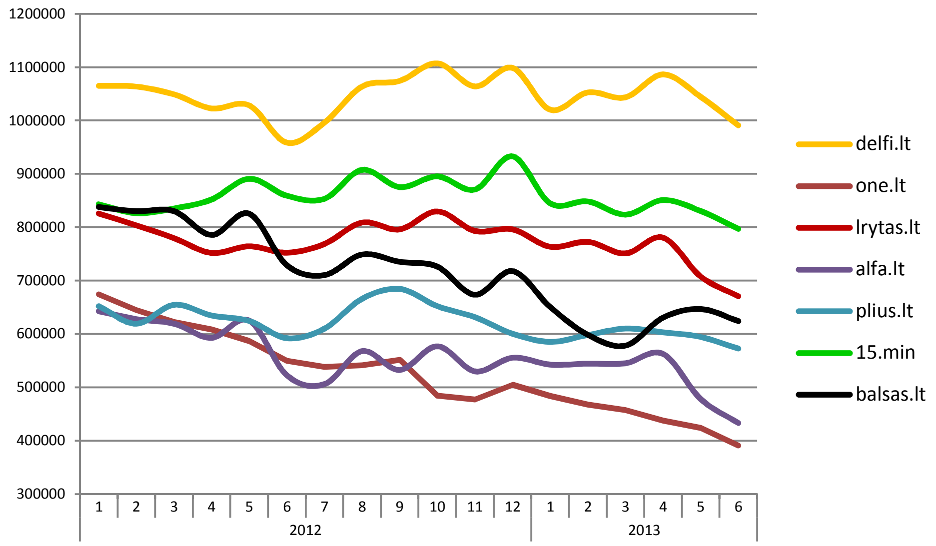
GemiusAudience monthly audience survey

In the 2nd quarter of 2013, there were no major changes in Latvian internet environments. Delfi.lv has widened the gap with the key competitor Tvnet.lv, which after the acquisition of spoki.lv in the 1st quarter of 2013 increased the number of its users by 50 thousand on average. In the 2nd quarter, Delfi Latvia acquired the portal calis.lv, primarily targeted at young mothers. The integration of its users with Delfi.lv will take place in the second half of 2013. Delfi.lv continues to be the news portal with the highest number of users in Latvia. The most popular webpages among Latvian Internet users continue to be the e-mail environment Inbox and the social network Draugiem.

Delfi Lithuania

- Two new verticals were launched in the market – one of which home-related and the other one with family and parenting.
- May of this year turned out to be the best month ever for Delfi Lithuania.

Lithuanian online readership 2012-2013



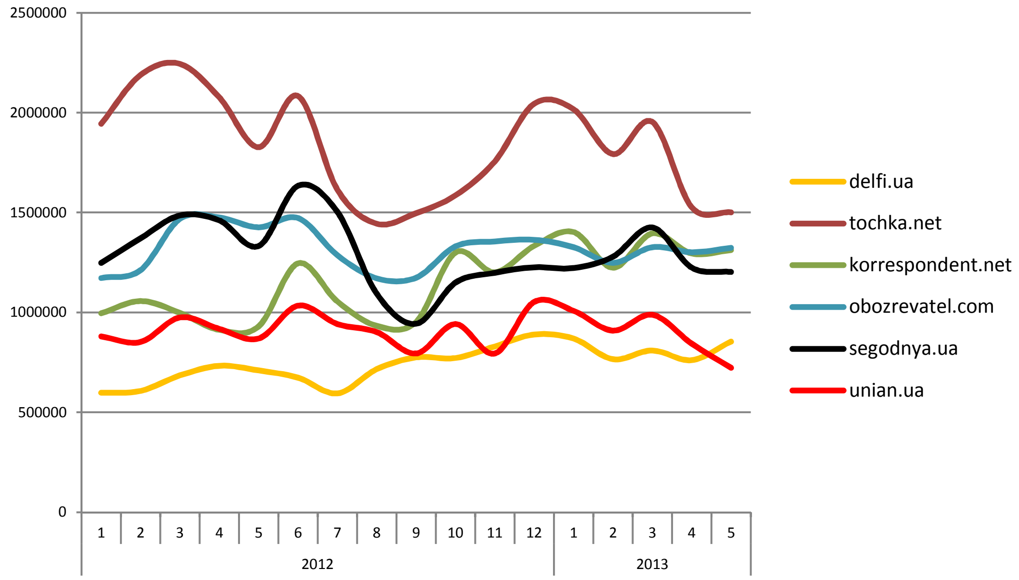
GemiusAudience monthly audience survey

Among Lithuanian internet users, Delfi Lithuania remains a clear market leader and continues to have more than one 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. As compared to the 2nd quarter of last year, Delfi has increased the number of regular users by ca. 6%. The use of smaller internet portals shows a modest downward trend, which refers to the fact that users prefer to receive all necessary information and entertainment from one source.

Delfi Ukraine

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

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. 16 %. May was one of the best months for Delfi.ua unlike the overall trend in the internet market, Delfi.ua increased by 12% as compared to last month. The Ukrainian internet market is generally characterised by a constant change in various media publications. The market is not yet fully established, and providers and consumers alike are still developing their preferences. In the 2nd quarter of 2013, one important change occurred among market participants, when the media group UMH changed ownership.

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.

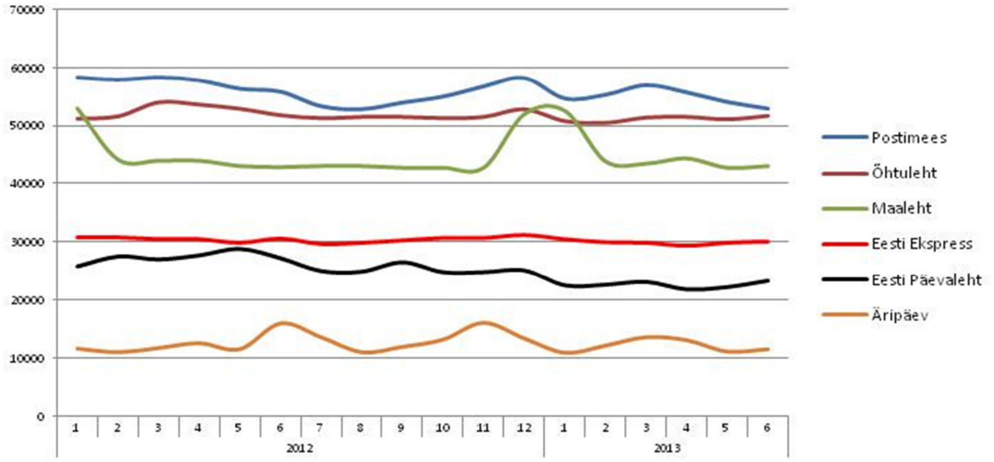
(EUR thousand)	Sales			EBITDA		
	Q2 2013	Q2 2012	Change%	Q2 2013	Q2 2012	Change%
AS Estonia Ajalehed	2 848	3 059	-7%	77	191	-60%
OÜ Hea Lugu	122	454	-73%	(10)	32	-131%
AS SL Õhtuleht*	965	964	0%	69	100	-31%
AS Ajakirjade Kirjastus*	1 029	1 110	-7%	45	10	350%
UAB Ekspress Leidyba	651	723	-10%	4	(10)	140%
AS Express Post*	591	586	1%	74	72	3%
intersegment eliminations	(259)	(290)	11%	0	(3)	-
TOTAL	**5 947**	**6 606**	**-10%**	**259**	**392**	**-34%**

(EUR thousand)	Sales			EBITDA		
	Half year 2013	Half year 2012	Change%	Half year 2013	Half year 2012	Change%
AS Estonia Ajalehed	5 464	5 831	-6%	150	227	-34%
OÜ Hea Lugu	451	602	-25%	45	12	275%
AS SL Õhtuleht*	1 865	1 876	-1%	104	135	-23%
AS Ajakirjade Kirjastus*	1 947	2 095	-7%	23	(16)	244%
UAB Ekspress Leidyba	1 279	1 355	-6%	(1)	(73)	99%
AS Express Post*	1 191	1 180	1%	148	129	15%
intersegment eliminations	(507)	(552)	8%	0	(2)	-
TOTAL	**11 690**	**12 387**	**-6%**	**469**	**413**	**14%**

*Proportionate share of joint ventures

The 2nd quarter of 2013 is characterised by the continued recession and downturn in the advertising market of printed newspapers. The advertising volumes of magazines in the 2nd quarter have remained at the same level as last year. In the 2nd quarter, we have laid great emphasis on the continued advertising of digital newspapers, and upgrading of the technical platform and enhancing of customer convenience. In April, a new landing page for digital newspapers http://www.digilehed.ee/misondigileht was launched. The digital subscribers of Eesti Ekspress and Eesti Päevaleht can read digital editions as well as fee-based articles. In addition, in cooperation with the Estonian Digital Book Centre, there is an opportunity to receive a free e-book together with a digital newspaper each month. In the second quarter was introduced addition to read newspapers with smartphone. Preparations for introduction of new series together with printed newspapers in the autumn are underway.

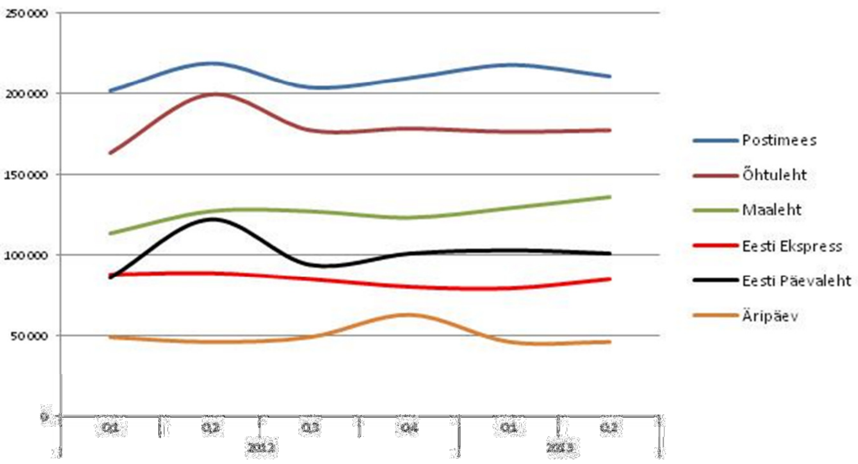
Estonian newspaper circulation 2012-2013



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. As compared to 2012, only Maaleht has increased the average circulation in a quarter, by 100 copies. The circulation of other publications is slightly decreasing.

Estonian newspaper readership 2012-2013



Turu-uuringute AS

Stable growth of the readers of Maaleht can be highlighted as positive news. As compared to the 2nd quarter of last year, the number of readers of Maaleht has increased by 9 000 readers. The number of readers of other newspapers is relatively stable. The number of printed newspapers excludes the readers of digital newspapers, the development of which remains under the Group's special focus.

Printing services segment

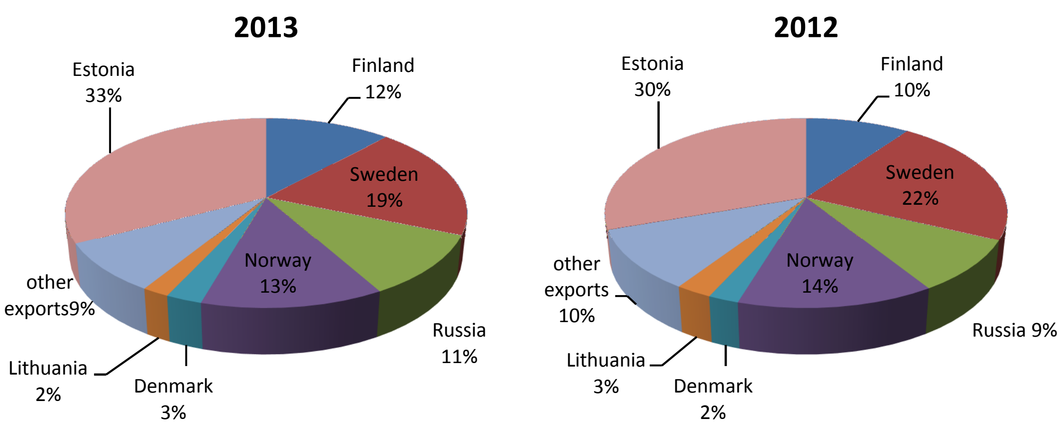
All printing services of the Group are provided by AS Printall which is one of the largest printing companies in Estonia. Printall is able to print both newspapers (coldset) and magazines (heatset).

(EUR thousand)	Sales			EBITDA		
	Q2 2013	Q2 2012	Change %	Q2 2013	Q2 2012	Change %
AS Printall	7 131	7 482	-5%	1 599	1 563	2%

(EUR thousand)	Sales			EBITDA		
	Half year 2013	Half year 2012	Change %	Half year 2013	Half year 2012	Change %
AS Printall	13 749	14 858	-7%	3 013	3 093	-3%

Due to operation of heatset machines at maximum production capacity levels during the peak season, sales growth is getting more difficult to attain. Decrease of circulations also has a negative impact, as compensating the decrease and obtaining new clients is due to specifics of printing industry a long term process. Despite the decline of the segment's total sales by up to 7% in the first half of the year, the share of only printing services has decreased considerable less, i.e. 2.2%. The share of group companies in sales is decreasing. However, the sales in Estonia have increased as compared to the same period last year. The focus continues to be laid on making processes more efficient, as a consequence of which EBITDA has remained at the same level as last year despite falling sales.

Geographical break-down of printing services by year



Printing services and the environment

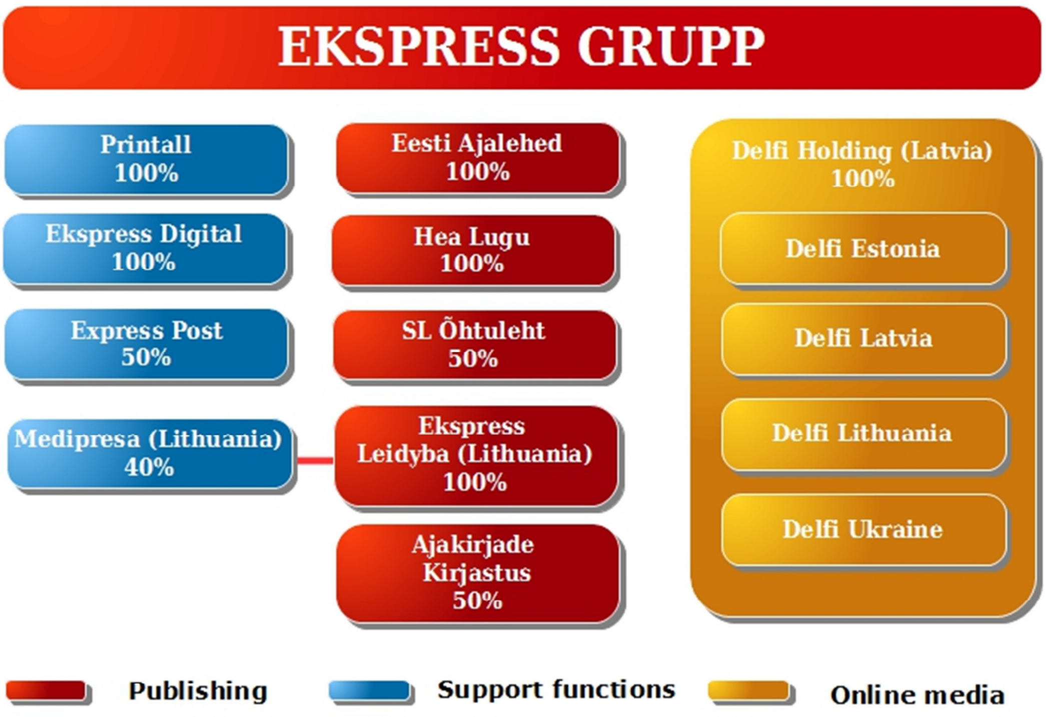
In addition to its very strong financial position, Printall also focuses on environmentally conscious production. In 2012, Printall was granted ISO 9001 management and ISO 14001 environmental certificates.

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 30.06.2013, 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 consists 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.

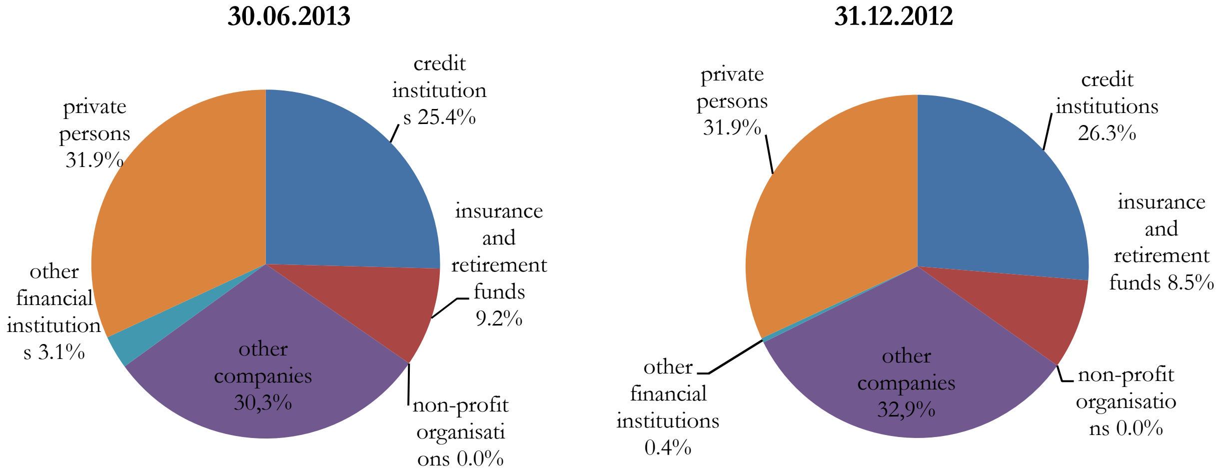
Structure of shareholders as of 30.06.2013 according to the Estonian Central Register of Securities

Name	Number of shares	%
Hans Luik	16 043 692	53.84%
Hans Luik	*7 963 307*	*26.73%*
Hans Luik, OÜ HHL Rühm	*8 073 485*	*27.10%*
Hans Luik , OÜ Minigert	*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%
Gunnar Kobin, OÜ Griffen SVP	*320 512*	*1.08%*
Viktor Mahhov, OÜ Flexinger	*37 464*	*0.13%*
Aavo Kokk, OÜ Synd & Katts	*400*	*0.00%*
Pirje Raidma, OÜ Aniston Trade	*1 900*	*0.01%*
Other minority shareholders	4 247 833	14.26%
Total	**29 796 841**	**100%**

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 according to the Estonian Central Register of Securities

Category	30.06.2013		31.12.2012	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Credit institutions	18	7 571 265	18	7 841 161
Insurance and retirement funds	11	2 753 592	9	2 530 125
Other financial institutions	71	929 667	31	123 961
Other companies	310	9 039 814	367	9 799 242
Private persons	3 247	9 502 084	3 305	9 501 933
Non-profit organisations	2	419	2	419
TOTAL	**3 659**	**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 signed in July 2012, it is now possible to pay dividends to shareholders if certain ratios are met. Payment of dividends is decided annually and it depends on the company's results and potential investment needs. The share of AS Ekspress Grupp should be considered as a growth share.

At the General Meeting of Shareholders held on 24 May 2013, the payment of dividends for the year 2012 was approved in the amount of 1 cent per share in the total amount of EUR 298 thousand. Dividends will be paid on 1 October.

The table below shows the stock trading history 2010-2013

Price (EUR)	Half year 2013	Half year 2012	Half year 2011	Half year 2010
Opening price	1.06	1.03	1.53	1.03
Closing price	1.07	1.01	1.36	0.84
High	1.22	1.18	1.84	1.48
Low	1.03	0.99	1.34	0.83
Average	1.10	1.05	1.66	1.12
Traded shares, pcs	768 733	656 731	1 687 621	1 141 787
Sales, mln	0.85	0.69	2.80	1.27
Capitalisation at balance sheet date, million	31.88	30.09	40.37	22.30

The share price in euros and the trading statistics on OMX Tallinn Stock Exchange from 1 January 2009 until 30 June 2013.

The share price comparison with OMX Tallinn Stock Exchange index from 1 January 2009 until 30 June 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:

<u>Viktor Mahhov</u>
- 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

<u>Aavo Kokk</u>
- 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

<u>Hans H. Luik</u>
- 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

<u>Harri Helmer Roschier</u>
- 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

<u>Ville Jehe</u>
- 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

<u>Kari Sakari Salonen</u>
- 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

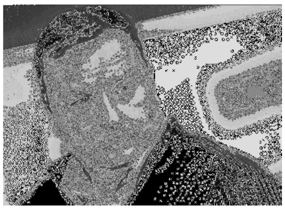
Management Board

Since April 2013, the Management Board of AS Ekspress Grupp has three members: 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 is Chairman of the Management Board and General Manager 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
- Chairman of the Management Board of AS Ülemiste City 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 in 1996
- Certified Auditor and fellow of the Association of Chartered Certified Accountants, FCCA

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)

(EUR thousand)	30.06.2013	31.12.2012
ASSETS		
Current assets		
Cash and cash equivalents	3 274	3 182
Trade and other receivables	6 879	7 344
Inventories	2 538	2 922
Total	**12 691**	**13 448**
Non-current assets held for sale	97	97
Total current assets	**12 788**	**13 545**
Non-current assets		
Term deposit	98	98
Trade and other receivables	243	228
Deferred income tax assets	137	137
Property, plant and equipment (Note 5)	14 292	14 841
Intangible assets (Note 5)	51 232	51 450
Total non-current assets	**66 002**	**66 754**
TOTAL ASSETS	**78 790**	**80 299**
LIABILITIES		
Current liabilities		
Borrowings (Note 6)	3 682	4 347
Trade and other payables	9 619	10 498
Corporate income tax liability	112	122
Total current liabilities	**13 413**	**14 967**
Non-current liabilities		
Long-term borrowings (Note 6)	22 488	24 233
Deferred income tax liability	67	0
Total non-current liabilities	**22 555**	**24 233**
Total liabilities	**35 968**	**39 200**
EQUITY		
Share capital (Note 9)	17 878	17 878
Share premium	14 277	14 277
Reserves (Note 9)	866	740
Retained earnings	9 798	8 190
Currency translation reserve	3	14
TOTAL EQUITY	**42 822**	**41 099**
TOTAL LIABILITIES AND EQUITY	**78 790**	**80 299**

The Notes presented on pages 29-42 form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q2 2013	Q2 2012	Half year 2013	Half year 2012
Sales revenue	15 115	15 762	28 925	29 982
Cost of sales	(11 333)	(11 967)	(22 329)	(23 387)
Gross profit	**3 782**	**3 795**	**6 596**	**6 595**
Marketing expenses	(621)	(582)	(1 119)	(1 051)
Administrative expenses	(1 486)	(1 598)	(3 027)	(3 300)
Other income	(28)	(67)	(57)	(101)
Other expenses	94	122	189	284
Operating profit	**1 741**	**1 670**	**2 582**	**2 427**
Interest income	3	2	3	5
Interest expense	(178)	(553)	(374)	(1 041)
Other finance income/costs	(26)	35	(26)	(30)
Net finance cost	**(201)**	**(516)**	**(397)**	**(1 066)**
Profit (loss) on shares of associates	4	(3)	(3)	(30)
Profit (loss) before income tax	**1 544**	**1 151**	**2 182**	**1 331**
Income tax (expense)	(147)	(179)	(150)	(177)
Net profit (loss) for the reporting period	**1 397**	**972**	**2 032**	**1 154**
Net profit (loss) for the reporting period attributable to:				
Equity holders of the parent company	1 397	972	2 032	1 154
Other comprehensive income (expense)				
Currency translation differences	9	(52)	(11)	(13)
Profit (loss) on change in value of a hedging instrument	0	68	0	130
Total other comprehensive income for the period	**9**	**16**	**(11)**	**117**
Comprehensive income (expense) for the reporting period	**1 406**	**988**	**2 021**	**1 271**
Attributable to equity holders of the parent company	1 406	988	2 021	1 271
Basic and diluted earnings per share (Note 8)	0.05	0.03	0.07	0.04

The Notes presented on pages 29-42 form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity (unaudited)

(EUR thousand)	Share capital	Share premium	Reserves	Currency translation reserve	Retained earnings	Retained earnings
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	1 154	**1 154**
Other comprehensive income (expense)	0	0	130	(13)	0	**117**
Total comprehensive income (expense) for the reporting period	*0*	*0*	*130*	*(13)*	*1 154*	***1 271***
Balance on 30.06.2012	**17 878**	**14 277**	**610**	**(9)**	**6 903**	**39 659**
Balance on 31.12.2012	**17 878**	**14 277**	**740**	**14**	**8 190**	**41 099**
Increase in statutory legal reserve	0	0	126	0	(126)	**0**
Dividends	0	0	0	0	(298)	**(298)**
Profit (loss) for the reporting period	0	0	0	0	2 032	**2 032**
Other comprehensive income (expense)	0	0	0	(11)	0	**(11)**
Total comprehensive income (expense) for the reporting period	*0*	*0*	*0*	*(11)*	*2 032*	***2 021***
Balance on 30.06.2013	**17 878**	**14 277**	**866**	**3**	**9 798**	**42 822**

The Notes presented on pages 29-42 form an integral part of the consolidated financial statements.

Consolidated cash flow statement (unaudited)

(EUR thousand)	Half year 2013	Half year 2012
Cash flows from operating activities		
Operating profit (loss) for the reporting period	2 582	2 427
Adjustments for:		
Depreciation, amortisation and impairment (Note 5)	1 305	1 716
Gain (loss) on sale and write-downs of property, plant and equipment	0	31
Cash flows from operating activities:		
Trade and other receivables	466	(609)
Inventories	384	185
Trade and other payables	(1 061)	(879)
Cash generated from operations	**3 676**	**2 871**
Income tax paid	(121)	(90)
Interest paid	(374)	(1 041)
Net cash generated from operating activities	**3 181**	**1 740**
Cash flows from investing activities		
Purchase of other financial investments	(15)	0
Acquisition of subsidiary	(4)	0
Interest received	3	5
Purchase of property, plant and equipment (Note 5)	(556)	(417)
Proceeds from sale of property, plant and equipment	17	15
Loans granted	(3)	(1)
Loan repayments received	3	181
Net cash generated from investing activities	**(555)**	**(217)**
Cash flows from financing activities		
Finance lease repayments made	0	(390)
Change in use of overdraft	(745)	151
Change in use of factoring	0	213
Repayments of borrowings	(1 789)	(1 984)
Net cash used in financing activities	**(2 534)**	**(2 010)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**92**	**(487)**
Cash and cash equivalents at the beginning of the period	3 182	2 729
Cash and cash equivalents at the end of the period	3 274	2 242

The Notes presented on pages 29-42 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 1 August 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 30.06.2013	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 for the 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	0%	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 first half of the year ended 30.06.2013 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 first half 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 Boards of the Parent and its daughter companies. 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 bank, 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.

Bank accounts (incl. long-term deposits) by credit ratings of the banks

Bank name	Moody`s	Standard & Poor`s	30.06.2013	31.12.2012
SEB	A1	A+	681	332
Swedbank	A2	A+	2 379	2 823
Nordea/Danske	Aa3/Baa1	A-/AA-	295	83
Other banks	-	-	2	11
Total			**3 357**	**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 or 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 provide security, including surety.

The Group is not aware of any substantial risks related to its clients and partners. The management estimates that there is no 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 group account (cash pool) which enables the members of the group account to use the finances of the Group within the limit established by the Parent Company. The group 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 next year, that will be corrected quarterly. For monitoring short-term cash flows the subsidiaries that have joined the group 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, factoring, 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 to acquire non-current assets. 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 tied 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. An interest rate change by 1 percentage point would change Group's loan interest expense ca. 260 thousand euros per year.

Type of interest	Interest rate	30.06.2013 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1 month Euribor+ 2.5%	Syndicated loan *(Parent Company)*	3 325	16 603	19 928
	1 month Euribor + 2.5%	Syndicated loan *(Printall)*	317	5 801	6 118
	1 month Euribor + 2.3%	Finance lease *(Printall)*	40	84	124
	1 month Euribor + 1.9%	Overdraft	0	0	0

Type of interest	Interest rate	30.06.2013 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1 month Euribor + 2.5%	Syndicated loan *(Parent Company)*	2 972	18 118	21 090
	1 month Euribor + 2.5%	Syndicated loan *(Printall)*	630	6 115	6 745
	1 month Euribor + 1.9%	Overdraft	745	0	745

As of 30.06.2013, the Group has no derivative financial instruments to manage interest risk.

Between September 2008 and September 2012, the Group 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 makes fixed interest payments of 4.3%, receiving interest payments that have been calculated on the basis of 6-month Euribor in return. Interest payments and reduction in nominal amounts occur twice a year, at the beginning of March and September. At the same dates, the interest rate of the syndicated loan is refixed, 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 Group. 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 of eurozone 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 30.06.2013.

(EUR thousand)	EUR	LTL	LVL	UAH	SEK	Other currencies	TOTAL
Assets							
Cash and cash equivalents	2 614	514	142	2	0	0	**3 274**
Trade and other receivables	4 245	1 702	640	33	145	59	**6 823**
Term deposit	0	98	0	0	0	0	**98**
Total financial assets	**6 860**	**2 314**	**782**	**35**	**145**	**59**	**10 195**
Liabilities							
Borrowings	26 169	0	0	0	0	0	**26 169**
Trade payables and accrued expenses	5 657	831	344	19	14	14	**6 880**
Total financial liabilities	**31 826**	**831**	**344**	**19**	**14**	**14**	**33 049**
Net foreign currency position	**-24 966**	**1 483**	**438**	**16**	**130**	**45**	

Financial assets and financial liabilities by currency as of 31.12.2012.

(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**
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 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 Board of the Group and the management boards of 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)	30.06.2013	31.12.2012
Interest-bearing debt	26 170	28 580
Cash and bank accounts	3 372	3 280
Net debt	22 798	25 300
Equity	42 822	41 099
Total capital	65 620	66 399
Debt to capital ratio	**35%**	**38%**
Balance sheet total	78 790	80 299
Equity ratio	**54%**	**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. The classified ads business was acquired, including the team of the department which was moved to Delfi. 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.

In May 2013, AS Delfi (Latvia) and Nextmedia Baltic OÜ signed a share sale and purchase agreement, under which Delfi Latvia will acquire a 100% ownership interest in SIA Cālis.lv, which operates the portal Cālis.lv. Cālis.lv is the most popular online environment in Latvia targeting expecting and young mothers. A total of LTL 230 thousand (ca. EUR 327 thousand) was paid for the transaction. The Group's management estimates that the fair value of the trademark acquired upon acquisition of SIA Cālis.lv was EUR 66 thousand and goodwill EUR 261 thousand, the management has the right to review its allocation within one year. The purchase transaction came into force in July 2013 when also cash settlements took place.

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 and the balance sheet of Cālis LV as of 31 March 2013 were used as the basis.

(EUR thousand)	Alio		Cālis LV SIA	
	Fair value	Carrying amount	Fair value	Carrying amount
Trademark	102	0	66	0
Total identifiable assets	**102**	**0**	**66**	**0**
Goodwill	**332**		**261**	
Cost of acquired ownership interest	434		327	
Cash paid for ownership interest	434		327	
Cash and cash equivalents in acquired	0		0	
Total cash effect on the company	**(434)**		**(327)**	

Note 5. Property, plant and equipment and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	Half year 2013	Half year 2012	Half year 2013	Half year 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	435	263	121	154
Disposals (at carrying amount)	(15)	(11)	0	0
Write-offs and write-downs of PPE	(1)	(2)	0	(33)
Depreciation and amortisation	(967)	(1 126)	(338)	(590)
Exchange rate correction	0	0	(1)	1
Balance at end of the period				
Cost	29 795	30 472	57 697	57 641
Accumulated depreciation and amortisation	(15 503)	(14 599)	(6 465)	(6 138)
Carrying amount	**14 292**	**15 873**	**51 232**	**51 503**

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

Intangible assets by type

(thousand)	EUR	
	30.06.2013	31.12.2012
Goodwill	41 093	41 093
Trademarks	9 399	9 542
Other intangible assets	740	815
Total intangible assets	**51 232**	**51 450**

Carrying amount of trademarks by segment

(thousand)	EUR	
	30.06.2013	31.12.2012
Online media	7 212	7 300
Periodicals	2 187	2 242
Total trademarks	**9 399**	**9 542**

Goodwill by cash generating units and segments

(thousand)	EUR 30.06.2013	EUR 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**
Estonia 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	Repayment term: 1-5 years
Balance on 30.06.2013			
Overdraft facilities	**0**	0	0
Long-term bank loans	**26 046**	3 642	22 404
incl. syndicated loan (AS Ekspress Grupp)	**19 928**	3 325	16 603
incl. syndicated and mortgage loan (AS Printall)	**6 118**	317	5 801
Finance lease	**124**	40	84
Total	**26 170**	**3 682**	**22 488**
Balance on 31.12.2012			
Overdraft facilities	**745**	745	0
Long-term bank loans (incl. factoring)	**27 835**	3 602	24 233
incl. syndicated loan (AS Ekspress Grupp)	**21 090**	2 972	18 118
incl. syndicated and mortgage loan (AS Printall)	**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 30.06.2013, 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 and at the end of each quarter, 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 30.06.2013 (EUR thousand)	Used 31.12.2012 (EUR thousand)	Interest rate	Expiration date of the contract
12.07.2012	Nordea Bank Finland Plc Estonia branch	1 320	0	745	1 month Euribor + 1.9%	25.07.2017
12.07.2012	AS SEB Pank	1 680	0	0	1 month Euribor + 1.9%	25.07.2017
Total		**3 000**	**0**	**745**		

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 Eesti Ajalehed AS (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 Q2 (EUR thousand)	Online media	Periodi-cals	Printing services	Corporate functions	Elimin-ations	Total Group
Sales to external customers	**3 194**	**5 887**	**6 367**	**3**	**(336)**	**15 115**
Inter-segment sales	30	60	764	382	(1 236)	0
Total segment sales	3 224	5 947	7 131	385	(1 572)	15 115
EBITDA	**730**	**259**	**1 599**	**(204)**	**1**	**2 385**
EBITDA margin	23%	4%	22%			16%
Depreciation (Note 5)						(643)
Operating profit						1 741
Investments (Note 5)						369

2013 1st half year (EUR thousand)	Online media	Periodi-cals	Printing services	Corporate functions	Elimin-ations	Total Group
Sales to external customers	**5 622**	**11 562**	**12 316**	**4**	**(579)**	**28 925**
Inter-segment sales	38	128	1 433	736	(2 335)	0
Total segment sales	5 660	11 690	13 749	740	(2 914)	28 925
EBITDA	**814**	**469**	**3 013**	**(410)**	**2**	**3 888**
EBITDA margin	14%	4%	22%			13%
Depreciation (Note 5)						(1 305)
Operating profit						2 582
Investments (Note 5)						556

2012 Q2 (EUR thousand)	Online media	Periodi-cals	Printing services	Corporate functions	Elimin-ations	Total Group
Sales to external customers	**2 882**	**6 553**	**6 631**	**2**	**(306)**	**15 762**
Inter-segment sales	30	53	851	277	(1 211)	0
Total segment sales	2 912	6 606	7 482	279	(1 517)	15 762
EBITDA	**743**	**392**	**1 563**	**(173)**	**1**	**2 526**
EBITDA margin	26%	6%	21%			16%
Depreciation (Note 5)						(856)
Operating profit						1 670
Investments (Note 5)						236

2012 1st half year (EUR thousand)	Online media	Periodi-cals	Printing services	Corporate functions	Elimin-ations	Total Group
Sales to external customers	**5 020**	**12 271**	**13 228**	**3**	**(540)**	**29 982**
Inter-segment sales	79	116	1 630	417	(2 242)	0
Total segment sales	5 099	12 387	14 858	420	(2 782)	29 982
EBITDA	**981**	**413**	**3 093**	**(347)**	**1**	**4 141**
EBITDA margin	19%	3%	21%			14%
Depreciation (Note 5)						(1 716)
Operating profit						2 427
Investments (Note 5)						417

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	Q2 2013	Q2 2012	Half year 2013	Half year 2012
Profit attributable to equity holders	1 397 306	971 622	2 031 739	1 154 058
The average number of ordinary shares	29 796 841	29 796 841	29 796 841	29 796 841
Basic and diluted earnings per share	0.05	0.03	0.07	0.04

In view of the fact that the Group has no dilutive potential ordinary shares on 30.06.2013 and 30.06.2012, **diluted earnings per share** equal basic earnings per share.

Note 9. Equity and dividends

Share capital and share premium

As of 31 December 2011, 31 December 2012 and 30 June 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)	30.06.2013	31.12.2012
Statutory reserve capital	227	101
Additional payments in cash from shareholders	639	639
Total reserves	**866**	**740**

Dividends

At the General Meeting of Shareholders held at 24 May 2013, it was decided to pay dividends in the amount of one euro cent per share for the total of EUR 298 thousand. Dividends will be paid on 1 October 2013. There will be no income tax expense upon the payment of dividends, because the company will pay dividends which it has received from its joint ventures and subsidiaries, on which the income tax on dividends has been already paid or whose profit has been taxed in its domicile. Hence, there will be no additional income tax on distribution of dividends paid by the parent company.

Note 10. 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)	Half year 2013	Half year 2012
Sales of goods		
Associates	367	502
Total sale of goods	**367**	**502**
Sale of services		
Members of Supervisory Board and companies related to them	5	1
Members of Management Board and companies related to them	0	3
Associates and joint ventures	378	385
Total sale of services	**383**	**389**
Total sales	**750**	**891**

Purchases

(EUR thousand)	Half year 2013	Half year 2012
Purchase of services		
Members of Management Board and companies related to them	25	38
Members of Supervisory Board and companies related to them	174	203
Associates and joint ventures	210	228
Total purchases of services	**409**	**469**
Total purchases	**409**	**469**

Receivables

(EUR thousand)	30.06.2013	31.12.2012
Short-term receivables		
Members of Supervisory Board and companies related to them	3	0
Associates and joint ventures	447	610
Total short-term receivables	**450**	**610**
Long-term receivables		
Members of Supervisory Board and companies related to them	192	192
Total long-term receivables	**192**	**192**
Total receivables	**642**	**802**

Liabilities

(EUR thousand)	30.06.2013	31.12.2012
Current liabilities		
Members of Management Board and companies related to them	4	4
Members of Supervisory Board and companies related to them	8	12
Associates and joint ventures	41	42
Total liabilities	**53**	**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. Amount paid out in the first half of 2013 totalled EUR 30 thousand (2012: EUR 30 thousand) and there are no outstanding liabilities as of 30 June 2013 and 31 December 2012.

The management estimates that the transactions with related parties have been carried out at arms' length conditions. As of 30.06.2013, the allowance for a receivable from the associate Medipresa UAB has been made in amount of EUR 66 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

	Half year 2013	Half year 2012
Salaries and other benefits (without social tax)	502	560
Termination benefits (without social tax)	0	21
Total (without social tax)	**502**	**581**

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 30 June 2013, the maximum gross amount of potential Key Management termination benefits was EUR 375 thousand (30 June 2012: EUR 456 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 11. Sustainability of operations

As of 30 June 2013, the Group's current liabilities exceeded current assets by EUR 0.6 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 2.3 million at the year-end, are not to be paid out but recognised as income in the following year. Information about liquidity risk and the measures used to manage the risk is disclosed in more detail in Note 3.

Note 12. Contingent liabilities

The Group's subsidiaries have several pending court cases. However, their impact on the Group's financial results is irrelevant.

Note 13. Events after the balance sheet date

In July 2013, a share sale and purchase agreement between AS Delfi (Latvia) and Nextmedia Baltic OÜ signed already in May came into force, under which Delfi Latvia acquired a 100% ownership interest in SIA Cālis.lv, which operates the portal Cālis.lv. More detailed information is disclosed in Note 4.