CONSOLIDATED INTERIM REPORT

FOR THE FOURTH QUARTER AND 12 MONTHS OF 2015

AS EKSPRESS GRUPP

TABLE OF CONTENTS

GENERAL INFORMATION

Beginning of reporting period	1 January 2015
End of reporting period	31 December 2015
Company name	AS Ekspress Grupp
Registration number	10004677
Address	Parda 6, Tallinn 10151
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
Management Board	Viktor Mahhov (chairman)
	Hans H. Luik
	Kari Sakari Salonen
	Harri Helmer Roschier
	Indrek Kasela
	Jaak Ennuste
Auditor	AS Deloitte Audit Eesti

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 48 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*	29.02.2016
Pirje Raidma	Member of the Management Board	*signed digitally*	29.02.2016
Andre Veskimeister	Member of the Management Board	*signed digitally*	29.02.2016

MANAGEMENT REPORT

In the final quarter of 2015, the Group increased revenue by 2% as compared to the same period last year, amounting to more than EUR 17 million, and earned EUR 2.7 million in EBITDA, a decrease of 1% year on year. Compared to latest forecast presented in the third quarter report, the actual consolidated sales revenue remained 1.6% behind but EBITDA was 12% better. Media segment exceeded its latest sales forecast by 2.3% and EBITDA by 38% while printing services expected quicker recovery and thus remained 6% behind sales expectations and 15% in EBITDA expectations. In the 4th quarter, the consolidated net profit before any impairment losses increased almost by 3% compared to previous year and amounted to EUR 1.7 million.

The Group's consolidated revenue **for full year** remained at last year's level, EBITDA decreased by 11% to EUR 7.9 million and the net profit decreased by 15% to EUR 3.9 million. The Group's financial leverage improved, the total debt to EBITDA ratio fell to 2.39 and the equity ratio increased to 63%.

The Group's result was most affected by the loss of EUR 1.1 million in connection with the exhibition of RMS Titanic held in the middle of the year in Riga and the one cancelled in Vilnius. Total EBITDA earned by the Group's main segments amounted to EUR 9 million, an increase of 1% from the previous year, however 6% behind the yearly budget. The net profit from core business amounted to EUR 5 million, and was 8% higher than a year earlier but also remained 7% behind the budget. The above figures include all our joint ventures (AS SL Õhtuleht, AS Ajakirjade Kirjastus and AS Express Post) consolidated 50% line-by-line.

The profit earned from **the Group's core business** was unchanged from last year, in spite of the 11% decrease in sales revenue of the printing house and the year-on-year decrease of EBITDA by EUR 1 million. This means that the profit of media segment offset the loss of the printing services segment. Whereas in 2014, the media segment accounted for 40% in the profit earned by the Group's core business, it increased to 50% in 2015, proving the viability of the media segment.

The key factor affecting the result of **the printing services segment** was the negative impact of economic sanctions imposed on Russia on exports of the Scandinavian printing industry. This resulted in the notable increase of price pressure in export markets and forced the Group's printing house Printall to lower sales prices. In addition to fierce price pressure, the company's business volumes also decreased. In the final quarter of 2015, the revenue of AS Printall was 9% lower and the profit was 17% lower than a year before. For the year, the result decreased 11% and EBITDA fell by 16%. At the end of 2015 the situation has stabilized and the company is determined to maintain its last year's level and expects moderate growth in 2016. The company's activities have been streamlined as much as possible and its very competitive profit margin enables Printall to be flexible in pricing. The company's management has decided that Printall must compete with its quality of service rather than low pricing.

Keywords in **the media segment** were higher profitability of the Group's Estonian and Latvian enterprises, and the price shock in Lithuania caused by the changeover to the euro. In the 4th quarter of 2015, the media segment's consolidated sales revenue and EBITDA both increased by 9% compared to the same quarter a year earlier. In financial terms, the income amounted to EUR 11 million and EBITDA totalled EUR 1.6 million. Yearly revenues of media segment grew 8% compared to year ago and 2% compared to budget, amounting to EUR 40 million. EBITDA increased 22% compared to previous year and exceeded the budget by 15% amounting to EUR 4.9 million.

For Delfi Lithuania, the start of the year was difficult because of the price shock from the abovementioned transition to the euro. As a result, EBITDA increased only 6% in a year, which was below our expectations. The annual result of Delfi Latvia increased 60% as compared to the year before. Most of the growth came from active participation on the advertising market and the content quality of online products. The year's most important event in the media segment was the merger of Estonian newspaper publisher AS Eesti Ajalehed and online portal Delfi into a new company, AS Ekspress Meedia. This resulted in EBITDA growth of 45% as compared to the year earlier. The merger has both improved cost efficiency of various departments as well as notably increased competitiveness on the advertising market. Today, Ekspress Meedia employs over 300 people and the company serves approximately 100 thousand different subscribers, many of whom subscribe to more than one title published by the Group. In 2015 the company sold advertising for more than

EUR 10 million. In the final quarter, advertising income earned by the mobile version of the news portal amounted to more than EUR 100 thousand a month.

For the year as a whole, also joint ventures AS SL Õhtuleht and AS Ajakirjade Kirjastus increased their profit notably, by 43% and 52% respectively. The only one that earned less profit in the media segment for the year was Express Post, the home delivery company that saw its annual profit to decrease 22%. One important factor behind the decrease of profit in Express Post was the increase in wage costs of the company's postmen. Hea Lugu, the Group's book publishing enterprise earned more or less the same profit as a year ago and this without any series, publishing only individual titles in 2015. Best selling book was the biography of the Estonian singer Jaak Joala that has been sold more than 10,000 copies and more than tripled the company's result in the final quarter of 2015.

In the media segment, we continued investing in **digital platforms** of our publications. Among others we launched a new digital solution for the Eesti Ekspress weekly, launched a new evening digital paper for Eesti Päevaleht and brought to the market the first digital magazine in the portfolio of AS Ajakirjade Kirjastus. In 2016 we will launch digital versions of the rural weekly Maaleht and key magazines, increasing the digital portfolio of the Group's subsidiaries and joint ventures to more than ten different titles. In the field of digital publishing, we have found a very cost-effective solution that enables us to relatively rapidly and with minimum costs to make progress in digital media. The digital publication of Õhtuleht and Russian-language news portal www.vecherka.ee were launched. Costs related to the new activities have affected EBITDA, but in the long term, they will create an opportunity to generate additional revenues.

From **print media** side we surprised our readers with the introduction of a more substantial weekly LP newspaper in September. Maaleht has issued successful book series of Tarkusepuu (Wisdomtree), which supported well the retail sales of Maaleht. The paper version of Eesti Päevaleht was redesigned. Ajakirjade Kirjastus acquired the Sensa magazine, widening its activities towards self-development and psychology.

During the year we also founded one new legal entity, OÜ Zave Media. It's a startup that is building up an online consumer portal in all Baltic countries to help customers find the best vendor for the products that they need. Every month, the portal has ca 100 thousand unique users in Estonia, 60 thousand in Latvia and over 200 thousand in Lithuania who regularly browse products of an average of 100 different merchants per country.

During the year, we also made our first passive investment in a startup enterprise by investing EUR 50 thousand in Jobbatical, a job exchange portal. On the first month of the new year, Jobbatical completed the next funding round for development, raising ca USD 2 millions, mainly from US institutional investors. Although this investment is not directly in line with the Group's investment policy, we consider it a good first step in entering the world of seed companies and will continue to study new potential investment targets.

In the new year we will continue analysing business areas related to new media with the objective of finding new activities and enterprises to add to the Group's portfolio of subsidiaries. We find that the media sector in all three Baltic countries is saturated which is why we are looking for growth from outside the traditional media segment however on targets related to the same industry.

Our forecast for the new year is sales growth of 7% and EBITDA growth of 14% provided, of course, that stable development of the global economy remains unchanged.

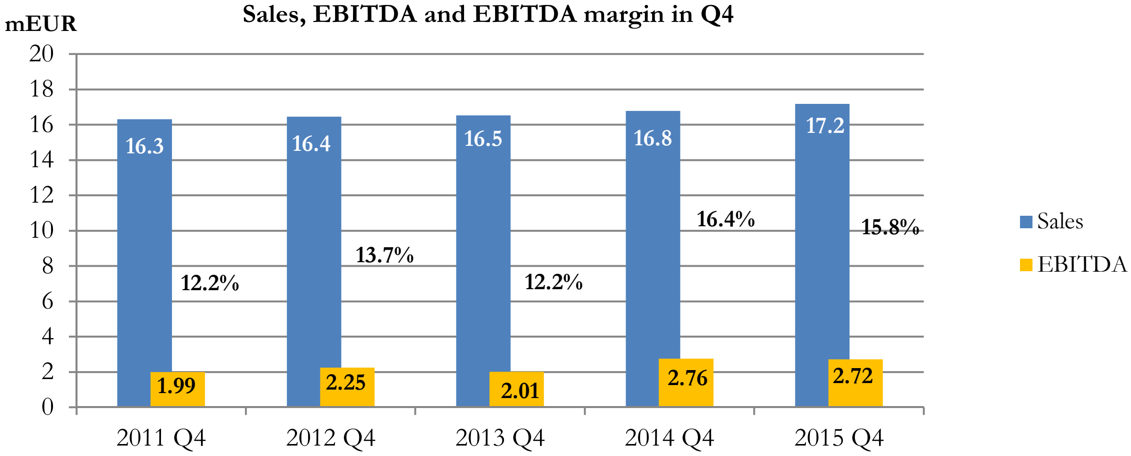
Our mission remains to offer new and interesting experiences both on paper and in digital media, without ever compromising on news quality, choice of topics and journalistic objectivity.

The Group's goal is to be a truly modern media group with a strong foothold in all markets where actively present, with a leading position in online media.

FINANCIAL INDICATORS AND RATIOS – joint ventures consolidated 50% line-by-line

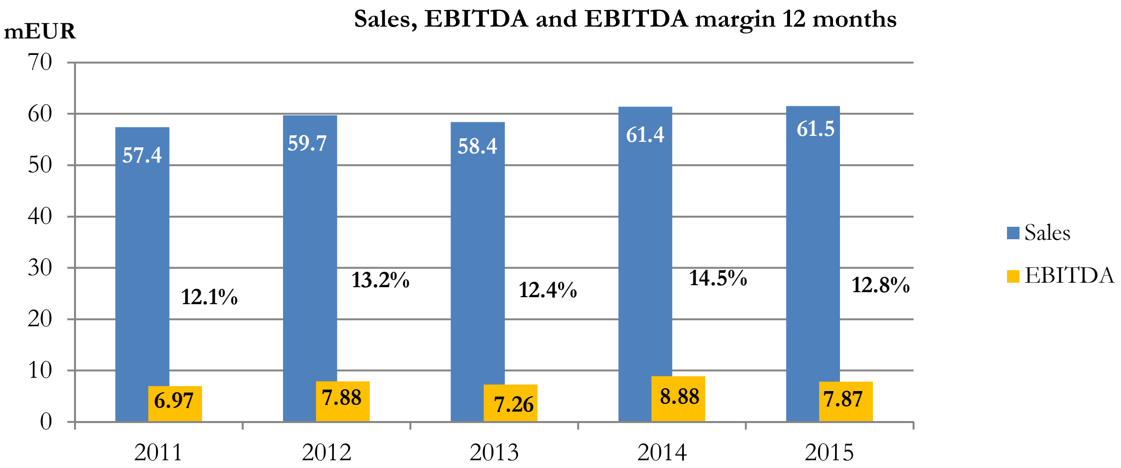
In consolidated financial reports 50% joint ventures are recognised under the equity method, in compliance with **international financial reporting standards (IFRS).** In its monthly reports, the management monitors the Group's performance on a basis of proportional consolidation of joint ventures and the syndicated loan contract also determines the calculation of some loan covenants by proportional consolidation. For the purpose of clarity, the management report shows two sets of indicators: one where joint ventures are consolidated line-by-line 50% and the other where joint ventures are recognised under the equity method and their net result is presented as financial income in one line.

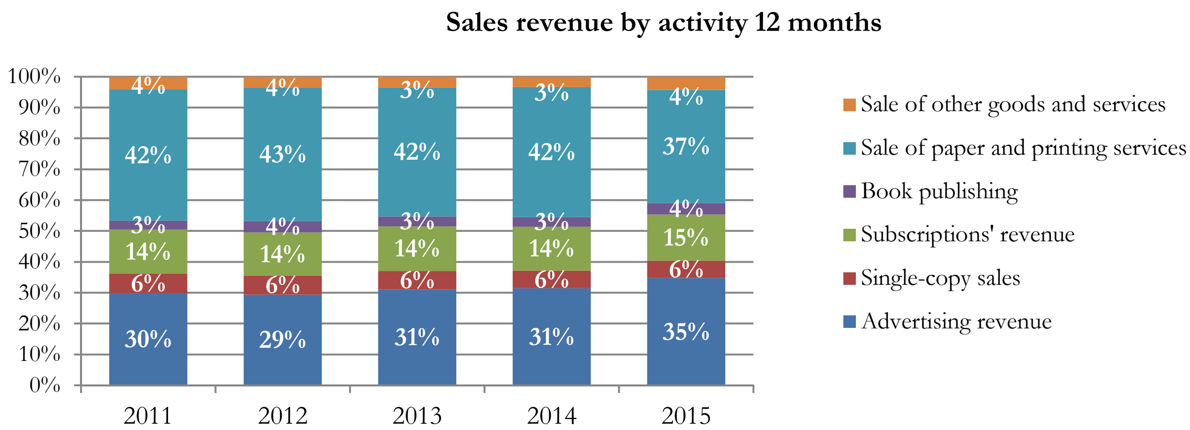
Performance indicators - joint ventures consolidated 50% (EUR thousand)	**Q4 2015**	**Q4 2014**	**Change %**	**Q4 2013**	**Q4 2012**	**Q4 2011**
For the period						
Sales	17 181	16 778	2%	16 526	16 447	16 313
EBITDA	**2 720**	**2 757**	**-1%**	**2 015**	**2 246**	**1 986**
EBITDA margin (%)	***15.8%***	***16.4%***		***12.2%***	***13.7%***	***12.2%***
Operating profit*	1 936	1 895	2%	1 348	1 496	1 037
Operating margin (%)*	*11.3%*	*11.3%*		*8.2%*	*9.1%*	*6.4%*
Interest expenses	(141)	(186)	24%	(185)	(206)	(523)
Net profit / (loss) for the period*	**1 660**	**1 614**	**3%**	**1 057**	**1 268**	**535**
Net margin* (%)	***9.7%***	***9.6%***		***6.4%***	***7.7%***	***3.3%***
Net profit for the period in financial statements (incl. impairments and gain on change of ownership interest)	460	1 149	-60%	(1 410)	1 112	(215)
Net margin (%)	*2.7%*	*6.8%*		*-8.5%*	*6.8%*	*-1.3%*
Return on assets ROA (%)	*0.6%*	*1.4%*		*-1.8%*	*1.4%*	*-0.3%*
Return on equity ROE (%)	*0.9%*	*2.4%*		*-3.3%*	*2.7%*	*-0.6%*
Earnings per share (EPS)	**0.02**	**0.04**		**(0.05)**	**0.04**	**(0.01)**



Performance indicators - joint ventures consolidated 50% (EUR thousand)	**12 months 2015**	**12 months 2014**	**Change %**	**12 months 2013**	**12 months 2012**	**12 months 2011**
For the period						
Sales	61 528	61 384	0%	58 427	59 706	57 391
EBITDA	**7 869**	**8 878**	**-11%**	**7 264**	**7 882**	**6 968**
EBITDA margin (%)	***12.8%***	***14.5%***		***12.4%***	***13.2%***	***12.1%***
Operating profit*	4 866	5 638	-14%	4 647	4 596	3 443
Operating margin (%)*	*7.9%*	*9.2%*		*8.0%*	*7.7%*	*6.0%*
Interest expenses	(618)	(732)	16%	(763)	(1 549)	(2 212)
Net profit /(loss) for the period*	**3 907**	**4 620**	**-15%**	**3 548**	**2 682**	**893**
Net margin* (%)	***6.4%***	***7.5%***		***6.1%***	***4.5%***	***1.6%***
Net profit for the period in financial statements (incl. impairments and gain on change of ownership interest)	2 707	5 110	-47%	1 081	2 525	1 683
Net margin (%)	*4.4%*	*8.3%*		*1.9%*	*4.2%*	*2.9%*
Return on assets ROA (%)	*3.5%*	*6.6%*		*1.4%*	*3.2%*	*2.0%*
Return on equity ROE (%)	*5.6%*	*11.4%*		*2.5%*	*6.4%*	*4.4%*
Earnings per share (EPS)	**0.09**	**0.17**		**0.04**	**0.08**	**0.06**

* The results exclude allowances on impairments and one-off gains in relation to the acquisition in Eesti Päevalehe AS in 2011 and the change in ownership structure in joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht in 2014.



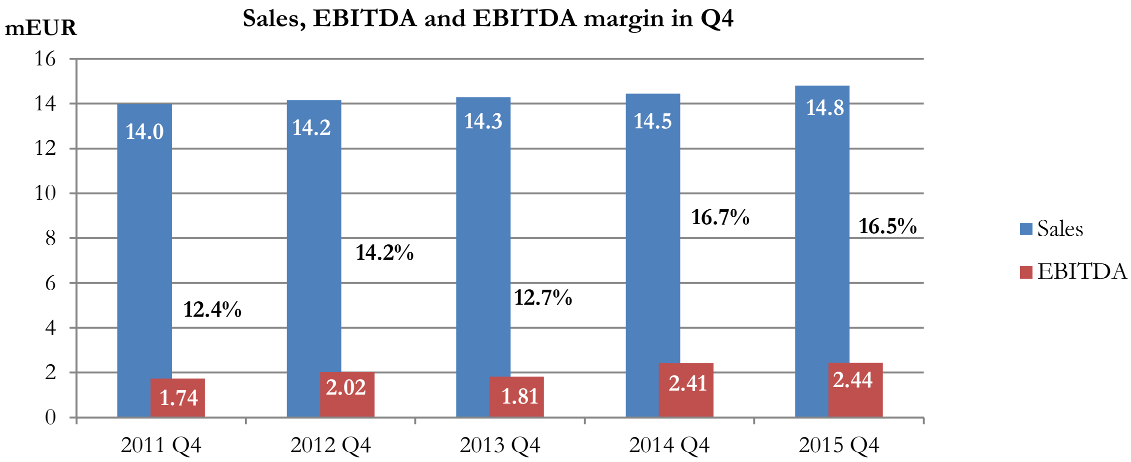


Balance sheet– joint ventures consolidated 50% (EUR thousand)	**31.12.2015**	**31.12.2014**	**Change %**
As of the end of the period			
Current assets	15 553	15 189	2%
Non-current assets	61 588	65 665	-6%
Total assets	**77 141**	**80 854**	**-5%**
incl. cash and bank	*4 666*	*6 788*	*-31%*
incl. goodwill	*38 232*	*39 432*	*-3%*
Current liabilities	12 539	14 110	-11%
Non-current liabilities	15 928	19 569	-19%
Total liabilities	**28 467**	**33 679**	**-15%**
incl. borrowings	*18 787*	*24 592*	*-24%*
Equity	**48 674**	**47 175**	**3%**

Financial ratios (%) – joint ventures consolidated 50%	**31.12.2015**	**31.12.2014**
Equity ratio (%)	63%	58%
Debt to equity ratio (%)	39%	52%
Debt to capital ratio (%)	22%	27%
Total debt /EBITDA ratio	2.39	2.61
Debt service coverage ratio	1.79	1.90
Liquidity ratio	1.24	1.08

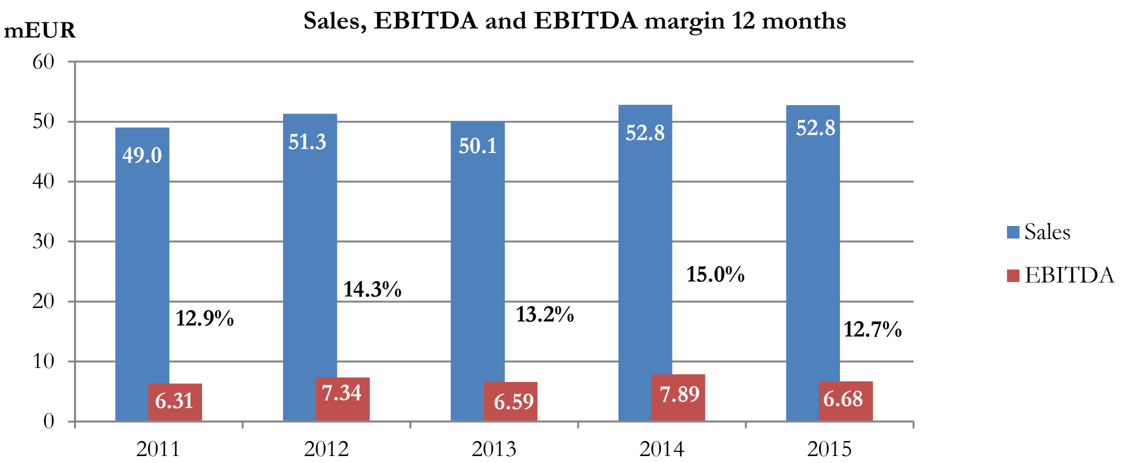
FINANCIAL INDICATORS AND RATIOS – joint ventures recognised under the equity method

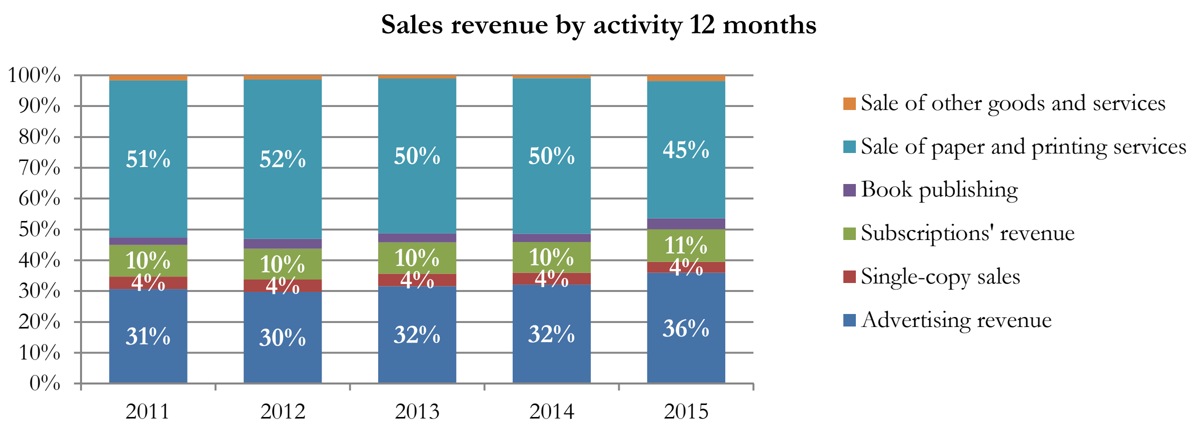
Performance indicators – joint ventures under the equity method (EUR thousand)	Q4 2015	Q4 2014	Change %	Q4 2013	Q4 2012	Q4 2011
For the period						
Sales (only subsidiaries)	14 811	14 454	2%	14 291	14 165	13 995
EBITDA (only subsidiaries)	**2 440**	**2 413**	**1%**	**1 815**	**2 017**	**1 740**
EBITDA margin (%)	***16.5%***	***16.7%***		***12.7%***	***14.2%***	***12.4%***
Operating profit* (only subsidiaries)	1 718	1 661	3%	1 175	1 293	822
Operating margin (%)*	*11.6%*	*11.5%*		*8.2%*	*9.1%*	*5.9%*
Interest expenses (only subsidiaries)	(125)	(158)	21%	(185)	(206)	(524)
Profit of joint ventures by equity method	196	182	8%	174	202	208
Net profit for the period*	**1 660**	**1 601**	**4%**	**1 057**	**1 269**	**535**
Net margin* (%)	***11.2%***	***11.1%***		***7.4%***	***9.0%***	***3.8%***
Net profit for the period in financial statements (incl. impairments and gain on change of ownership interest)	460	1 136	-60%	(1 410)	1 112	(215)
Net margin (%)	*3.1%*	*7.9%*		*-9.9%*	*7.8%*	*-1.5%*
Return on assets ROA (%)	*0.6%*	*1.5%*		*-1.8%*	*1.4%*	*-0.3%*
Return on equity ROE (%)	*0.9%*	*2.4%*		*-3.2%*	*2.7%*	*-0.6%*
Earnings per share (EPS)	**0.02**	**0.04**		**(0.05)**	**0.04**	**(0.01)**



Performance indicators – joint ventures under the equity method (EUR thousand)	12 months 2015	12 months 2014	Change %	12 months 2013	12 months 2012	12 months 2011
For the period						
Sales (only subsidiaries)	52 773	52 793	0%	50 086	51 290	49 027
EBITDA (only subsidiaries)	**6 680**	**7 894**	**-15%**	**6 591**	**7 345**	**6 311**
EBITDA margin (%)	***12.7%***	***15.0%***		***13.2%***	***14.3%***	***12.9%***
Operating profit* (only subsidiaries)	3 920	4 973	-21%	4 071	4 173	2 930
Operating margin (%)*	*7.4%*	*9.4%*		*8.1%*	*8.1%*	*6.0%*
Interest expenses (only subsidiaries)	(550)	(689)	20%	(763)	(1 550)	(2 219)
Profit of joint ventures by equity method	785	557	41%	494	339	421
Net profit for the period*	**3 907**	**4 621**	**-15%**	**3 548**	**2 682**	**893**
Net margin* (%)	***7.4%***	***8.8%***		***7.1%***	***5.2%***	***1.8%***
Net profit for the period in financial statements (incl. impairments and gain on change of ownership interest)	2 707	5 110	-47%	1 081	2 525	1 683
Net margin (%)	*5.1%*	*9.7%*		*2.2%*	*4.9%*	*3.4%*
Return on assets ROA (%)	*3.7%*	*6.8%*		*1.4%*	*3.2%*	*2.0%*
Return on equity ROE (%)	*5.6%*	*11.4%*		*2.5%*	*6.4%*	*4.4%*
Earnings per share (EPS)	**0.09**	**0.17**		**0.04**	**0.08**	**0.06**

* The results exclude allowances on impairments and one-off gains in relation to the acquisition in Eesti Päevalehe AS in 2011 and the change in ownership structure in joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht in 2014.





Balance sheet– joint ventures under equity method (EUR thousand)	31.12.2015	31.12.2014	Change %
As of the end of the period			
Current assets	12 386	12 303	1%
Non-current assets	60 794	64 292	-5%
Total assets	**73 180**	**76 595**	**-4%**
incl. cash and bank	*2 927*	*5 275*	*-45%*
incl. goodwill	*36 953*	*38 153*	*-3%*
Current liabilities	9 033	11 481	-21%
Non-current liabilities	15 473	17 939	-14%
Total liabilities	**24 506**	**29 420**	**-17%**
incl. borrowings	*17 687*	*23 152*	*-24%*
Equity	**48 674**	**47 175**	**3%**

Financial ratios (%) – joint ventures by equity method	31.12.2015	31.12.2014
Equity ratio (%)	67%	62%
Debt to equity ratio (%)	36%	49%
Debt to capital ratio (%)	23%	27%
Total debt /EBITDA ratio	2.65	2.93
Debt service coverage ratio	1.67	1.77
Liquidity ratio	1.38	1.07

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 revenue can be adversely affected by an economic slowdown or recession in home and export markets. It can appear in lower advertising costs in retail, preference of other advertising channels like preference of internet rather than print media and changes in consumption habits of retail consumers e.g. following current news in news portals versus reading printed newspapers, preference of the younger generation to use mobile devices and other communication channels, etc.

Seasonality

The revenue from the Group's advertising sales as well as revenue 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 higher consumer spending during the Christmas season, accompanied by the increase 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. Book sales are the strongest in the last quarter of the year. Subscriptions and retail sales of periodicals do not fluctuate as much as advertising revenue. However the summer period is always more quiet and at the beginning of the school year in September there is an increase in subscriptions and retail sale which usually continues until next summer holiday period.

Formulas used to calculate the financial ratios	
EBITDA	Earnings before interest, tax, depreciation and amortization. EBITDA does not include any impairment losses recognized during the period or result from restructuring.
EBITDA margin (%)	EBITDA/sales x 100
Operating margin* (%)	Operating profit*/sales x100
Net margin* (%)	Net profit*/sales x100
Net margin (%)	Net profit /sales x100
Earnings per share	Net profit / average number of shares
Equity ratio (%)	Equity/ (liabilities + equity) x100
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	EBITDA/loan and interest payments for the period
Liquidity ratio	Current assets / current liabilities
Return on assets ROA (%)	Net profit /average assets x 100
Return on equity ROE (%)	Net profit /average equity x 100

***** The results exclude allowances on impairments and one-off gains in relation to the acquisition in Eesti Päevalehe AS in 2011 and the change in ownership structure in joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht in 2014.

CORPORATE STRUCTURE

EKSPRESS GRUPP

Company	Share	Description
Ekspress Meedia	100%	The main activity of AS Ekspress Meedia is publishing of the biggest Estonian weekly newspapers - Eesti Ekspress and Maaleht, as well as the publishing of the daily newspaper Eesti Päevaleht. Ekspress Meedia also publishes Delfi - the largest internet portal whose websites are according to Gemius Audience visited by more than 600,000 people a month.
Delfi (Läti)	100%	In Latvia Delfi is the largest news portal whose websites are according to Gemius Audience visited by more than 800,000 people a month.
Delfi (Leedu)	100%	In Lithuania Delfi is the largest internet portal whose websites are according to Gemius Audience visited by more than 1,200,000 people a month. In addition, Delfi publishes several magazines that are the leading titles in their segments in Lithuania.
SL Õhtuleht	50%	AS SL Õhtuleht publishes daily newspaper Õhtuleht. The company is owned in equal parts by Ekspress Grupp and Suits Meedia.
Ajakirjade Kirjastus	50%	Ajakirjade Kirjastus publishes more than 20 magazine titles for more than 600,000 readers. The company is owned in equal parts by Ekspress Grupp and Suits Meedia.
Hea Lugu	100%	Hea Lugu is the Group's book publishing company. The company publishes fiction, history books, children's books, reference books, handbooks and various series.
Zave Media	100%	Zave is the portal of sales offers of the largest retailers that operates in all three Baltic countries.
Adnet Media	49%	Adnet is an advertising network operating in the Baltic countries that mediates Internet advertising to end-consumers and re-sells international advertising space.
Express Post	50%	Express Post specialises in early-morning home delivery of periodicals, advertising materials and letters in Estonia. The company is owned in equal parts by Ekspress Grupp and Eesti Meedia.
Medipresa (Leedu)	40%	Delfi has 40% shares in Lithuanian magazines and newspapers wholesales company Medipresa.
Ekspress Digital	100%	Ekspress Digital is an IT development and management company that supports Group companies in developing and managing their IT solutions.
Printall	100%	The most contemporary printing plant in the Baltic countries. Large part of the Estonian newspapers, magazines and advertising materials is printed in Printall. Significant part of the production is exported.

SEGMENT OVERVIEW

From the 3rd quarter of 2014, when the Group's Lithuanian subsidiaries were merged, the Group's activities are divided into **the media segment**, **printing services segment** and **entertainment segment** launched this year. Previously, the entities of the media segment were divided into online media and periodicals segments.

The segments' EBITDA does not include intragroup management fees, 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.

Key financial data of the segments Q4 2011-2015

(EUR thousand)	Sales			Sales		
	Q4 2015	Q4 2014	Change %	Q4 2013	Q4 2012	Q4 2011
media segment (by equity method)	8 399	7 535	11%	7 617	7 049	6 550
incl. revenue from all digital and online channels	*4 544*	*4 015*	*13%*	*3 389*	*3 029*	*2 618*
printing services segment	7 386	8 083	-9%	7 566	8 046	8 143
entertainment segment	0	0	-	0	0	0
corporate functions	543	459	18%	393	308	71
intersegment eliminations	(1 517)	(1 624)		(1 286)	(1 238)	(769)
TOTAL GROUP by equity method	**14 811**	**14 454**	**2%**	**14 291**	**14 165**	**13 995**
media segment by proportional consolidation	11 041	10 141	9%	10 043	9 532	9 030
incl. revenue from all digital and online channels	*4 832*	*4 257*	*14%*	*3 584*	*3 184*	*2 773*
printing services segment	7 386	8 083	-9%	7 566	8 046	8 143
entertainment segment	0	0	-	0	0	0
corporate functions	543	459	18%	393	308	71
intersegment eliminations	(1 789)	(1 905)		(1 476)	(1 439)	(931)
TOTAL GROUP by proportional consolidation	**17 181**	**16 778**	**2%**	**16 526**	**16 447**	**16 313**

(EUR thousand)	EBITDA			EBITDA		
	Q4 2015	Q4 2014	Change %	Q4 2013	Q4 2012	Q4 2011
media segment by equity method	1 299	1 103	18%	1 014	611	511
media segment by proportional consolidation	*1 579*	*1 448*	*9%*	*1 214*	*839*	*758*
printing services segment	1 355	1 623	-17%	1 604	1 650	1 495
entertainment segment	(4)	0	-	0	0	0
corporate functions	(210)	(313)	33%	(763)	(242)	(268)
intersegment eliminations	0	0		(40)	(1)	2
TOTAL GROUP by equity method	**2 440**	**2 413**	**1%**	**1 815**	**2 017**	**1 740**
TOTAL GROUP by proportional consolidation	**2 720**	**2 757**	**-1%**	**2 015**	**2 246**	**1 986**

EBITDA margin	Q4 2015	Q4 2014	Q4 2013	Q4 2012	Q4 2011
media segment by equity method	15%	15%	13%	9%	8%
media segment by proportional consolidation	*14%*	*14%*	*12%*	*9%*	*8%*
printing services segment	18%	20%	21%	21%	18%
TOTAL GROUP by equity method	**16%**	**17%**	**13%**	**14%**	**12%**
TOTAL GROUP by proportional consolidation	**16%**	**16%**	**12%**	**14%**	**12%**

Key financial data of the segments 12 months 2011-2015

(EUR thousand)	Sales 12 months 2015	Sales 12 months 2014	Change %	Sales 12 months 2013	Sales 12 months 2012	Sales 12 months 2011
media segment (by equity method)	30 063	27 459	9%	25 842	25 562	23 789
incl. revenue from all digital and online channels	*15 530*	*13 449*	*15%*	*11 595*	*10 561*	*9 111*
printing services segment	25 842	28 951	-11%	27 462	29 167	27 736
entertainment segment	517	0	-	0	0	0
corporate functions	1 937	1 731	12%	1 530	996	209
intersegment eliminations	(5 586)	(5 347)		(4 748)	(4 435)	(2 707)
TOTAL GROUP by equity method	**52 773**	**52 793**	**0%**	**50 086**	**51 290**	**49 027**
media segment by proportional consolidation	39 943	36 930	8%	34 955	34 773	32 771
incl. revenue from all digital and online channels	*16 577*	*14 306*	*16%*	*12 226*	*11 147*	*9 673*
printing services segment	25 842	28 951	-11%	27 462	29 167	27 736
entertainment segment	517	0	-	0	0	0
corporate functions	1 937	1 731	12%	1 530	996	209
intersegment eliminations	(6 711)	(6 228)		(5 520)	(5 230)	(3 325)
TOTAL GROUP by proportional consolidation	**61 528**	**61 384**	**0%**	**58 427**	**59 706**	**57 391**

(EUR thousand)	EBITDA 12 months 2015	EBITDA 12 months 2014	Change %	EBITDA 12 months 2013	EBITDA 12 months 2012	EBITDA 12 months 2011
media segment by equity method	3 724	3 025	23%	2 123	2 089	1 325
media segment by proportional consolidation	*4 913*	*4 013*	*22%*	*2 792*	*2 624*	*1 977*
printing services segment	4 966	5 944	-16%	5 862	6 052	5 959
entertainment segment	(1 110)	0	-	0	0	0
corporate functions	(899)	(1 076)	16%	(1 356)	(797)	(980)
intersegment eliminations	0	0		(38)	1	7
TOTAL GROUP by equity method	**6 680**	**7 894**	**-15%**	**6 591**	**7 345**	**6 311**
TOTAL GROUP by proportional consolidation	**7 869**	**8 878**	**-11%**	**7 264**	**7 882**	**6 968**

EBITDA margin	12 months 2015	12 months 2014	12 months 2013	12 months 2012	12 months 2011
media segment by equity method	12%	11%	8%	8%	6%
media segment by proportional consolidation	*12%*	*11%*	*8%*	*8%*	*6%*
printing services segment	19%	21%	21%	21%	21%
TOTAL GROUP by equity method	**13%**	**15%**	**13%**	**14%**	**13%**
TOTAL GROUP by proportional consolidation	**13%**	**15%**	**12%**	**13%**	**12%**

MEDIA SEGMENT

The media segment includes Delfi operations in Estonia, Latvia and Lithuania, publishing of Estonian newspapers Maaleht, Eesti Ekspress and Eesti Päevaleht, book publishing in Estonia, magazine publishing in Lithuania, activities of the retail offer portal Zave and holding company Delfi Holding. This segment also includes 50% joint ventures AS SL Õhtuleht (publisher of Õhtuleht and Linnaleht), magazine publisher AS Ajakirjade Kirjastus and home delivery company AS Express Post.

Delfi companies' EBITDA is presented before the trademark royalty fees that were paid to the direct parent company Delfi Holding until April 2015. In May 2015, Delfi group was restructured, as a consequence of which Delfi's local companies are directly owned by AS Ekspress Grupp. The ownership was changed in Lithuania in October 2015. The new structure reflects better the actual management structure which has gradually changed over the years.

In July 2015 AS Delfi and newspaper publisher AS Eesti Ajalehed were mergered in Estonia. New company continues to operate under name AS Ekspress Meedia. A year earlier Delfi UAB and magazine publisher Ekspress Leidyba UAB were merged in Lithuania. In Lithuania mergered entity continued under name of Delfi.

News portals owned by the Group

Owner	Portal	Owner	Portal
Ekspress Meedia	www.delfi.ee	Ekspress Meedia	www.ekspress.ee
	rus.delfi.ee		www.maaleht.ee
Delfi Latvia	www.delfi.lv		www.epl.ee
	rus.delfi.lv		
Delfi Lithuania	www.delfi.lt	AS SL Õhtuleht	www.ohtuleht.ee
	ru.delfi.lt		www.vecherka.ee

(EUR thousand)	Sales			EBITDA		
	Q4 2015	Q4 2014	Change %	Q4 2015	Q4 2014	Change %
Ekspress Meedia AS (Delfi Eesti + Eesti Ajalehed)	4 756	4 365	9%	425	434	-2%
incl. Delfi Estonia online revenue	*1 592*	*1 439*	*11%*			
Delfi Latvia	927	786	18%	157	126	25%
Delfi Lithuania (incl. Ekspress Leidyba)	2 414	2 250	7%	723	523	38%
incl. Delfi Lithuania online revenue	*1 887*	*1 679*	*12%*			
OÜ Hea Lugu	304	202	50%	85	23	270%
OÜ Zave Media	2	0	-	(87)	0	-
Other companies (Delfi Holding)	0	0	-	(4)	(4)	-3%
Intersegment eliminations	(4)	(68)		(1)	1	
TOTAL subsidiaries	**8 399**	**7 535**	**11%**	**1 299**	**1 103**	**18%**
AS SL Õhtuleht*	1 066	1 022	4%	113	127	-11%
AS Ajakirjade Kirjastus*	1 218	1 205	1%	86	104	-18%
AS Express Post*	648	654	-1%	82	114	-28%
Intersegment eliminations	(289)	(275)		(0)	(0)	
TOTAL joint ventures	**2 643**	**2 606**	**1%**	**281**	**344**	**-19%**
TOTAL segment by proportional consolidation	**11 041**	**10 141**	**9%**	**1 579**	**1 448**	**9%**

*Proportional share of joint ventures

MEDIA SEGMENT (continued)

(EUR thousand)	Sales			EBITDA		
	12 months 2015	12 months 2014	Change %	12 months 2015	12 months 2014	Change %
Ekspress Meedia AS (Delfi Eesti + Eesti Ajalehed)	18 248	16 350	12%	1 899	1 306	45%
incl. Delfi Estonia online revenue	*5 931*	*4 953*	*20%*			
Delfi Latvia	3 066	2 562	20%	301	188	60%
Delfi Lithuania (incl. Ekspress Leidyba)	8 230	8 047	2%	1 590	1 495	6%
incl. Delfi Lithuania online revenue	*6 051*	*5 557*	*9%*			
Delfi Ukraine	0	2	-100%	0	(51)	100%
OÜ Hea Lugu	651	792	-18%	91	94	-3%
OÜ Zave Media	5	0	-	(147)	0	-
Other companies (Delfi Holding)	0	0	-	(9)	(10)	9%
Intersegment eliminations	(136)	(294)		(1)	2	
TOTAL subsidiaries	**30 063**	**27 459**	**9%**	**3 724**	**3 025**	**23%**
AS SL Õhtuleht*	4 154	3 909	6%	508	356	43%
AS Ajakirjade Kirjastus*	4 347	4 224	3%	392	257	52%
AS Express Post*	2 477	2 415	3%	289	372	-22%
Intersegment eliminations	(1 099)	(1 077)		(0)	2	
TOTAL joint ventures	**9 879**	**9 471**	**4%**	**1 189**	**987**	**20%**
TOTAL segment by proportional consolidation	**39 943**	**36 930**	**8%**	**4 913**	**4 013**	**22%**

*Proportional share of joint ventures

DELFI and its related products

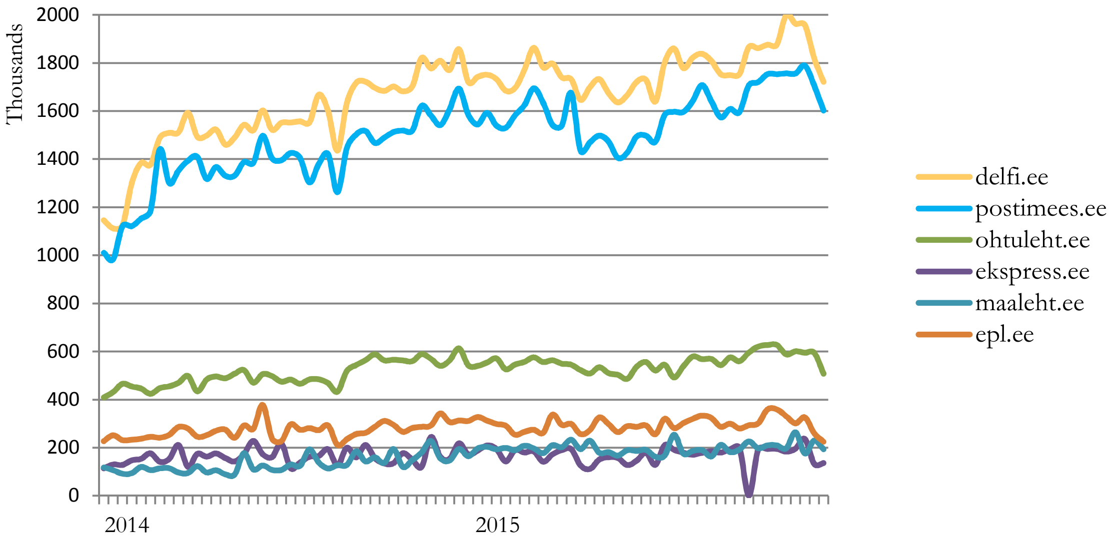
As a market leader Delfi continues to invest into new technologies and IT solutions to improve user experience of its readers and advertisers. During a year a new Delfi mobile applications for both IOS and Android devices were launched providing possibility of using more creative solutions in mobile environment. Launch of different programmatic direct platforms for advertisers was done independently by each country. Also HTML5 animated technology for displaying advertising banners was deployed in all three countries. New modern DELFI TV platform with a responsive design was launched. Newly made design and interactive technological features improved viewing of DELFI video content, made it more convenient and adjusted to watch on different devices like computer, mobile, tablet. Delfi Lithuania built a new video streaming system in cooperation with TEO. This solution will help to maintain about 25-30 thousand video viewers at the same time.

Several Delfi sub-sites and topical portals were updated and diversified including improvement of the comments section. A new article view was presented in almost all channels. Each country continues to develop vertical products depending on the demand of the market. During the year Delfi Estonia launched a new cooking portal www.maitsed.ee, pet portal www.lemmikloom.ee, fashion portal www.catwalk.ee, Russian-language travel portal www.turist.ee. In Latvia a Russian-language hobby vertical www.zhurnal.lv, gardening portal www.mansdarzs.lv, home design portal www.manamaja.lv, technology portal www.techlife.lv, pet portal www.MansDraugs.lv, radio stream aggregator www.radioplayer.lv. were launched. Delfi Lithuania has launched portals www.daraupats.lt, targeted at those who want to do things themselves, a portal www.vyriskai.lt, dedicated to men and includes such themes like leisure, style, hobbies, other practical info. In connection with the European Basketball Championship, a new portal for basketball fans www.krepsinis.lt was launched with the aim of becoming Lithuanian largest top-quality basketball portal. In Latvia a new e-commerce platform offering booking opportunities of beauty services www.tobook.lv was launched as a pilot project.

In all countries there is a focus on writing more long-read analytical articles in order to increase Delfi's position in all qualitative indexes like "trust", "usability", "originality" and etc. In Estonia this has been provided in co-operation with editorial teams of our daily and weekly newspapers Eesti Päevaleht, Eesti Ekspress and Maaleht.

All Delfies contribute to society by supporting different charity projects, cultural, sport, social and business events in all countries.

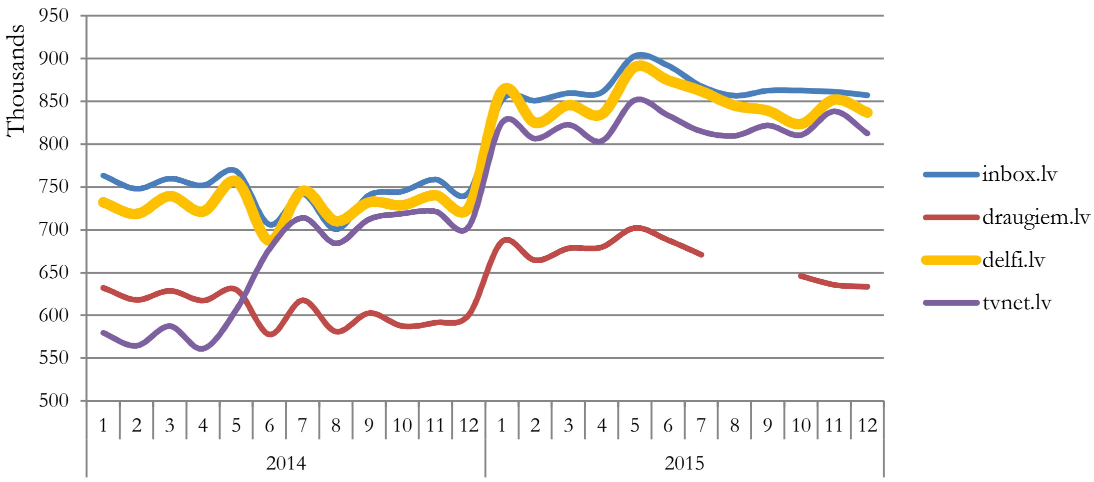
Estonian online readership 2014-2015



TNSMetrix weekly audience survey

In the 4th quarter 2015, Delfi remains the largest online portal in Estonia. There is more competition for the attention of readers and competitors have managed to increase their readership by active marketing activities. Special attention continues to be paid on mobile users as their number keeps growing. Delfi is the market leader among mobile users. New mobile applications that were launched in the 4th quarter will definitely improve convenience of use and, as a result, increase customer satisfaction. In 2015, online readership of Delfi grew by 10% in average. Most of this growth has come from the increase in the number of mobile devices. The growth rate of new devices is expected to slow down in 2016 since the majority of new telephones are already smartphones. At the same time we expect readership of video content to increase.

Latvian online readership 2014-2015

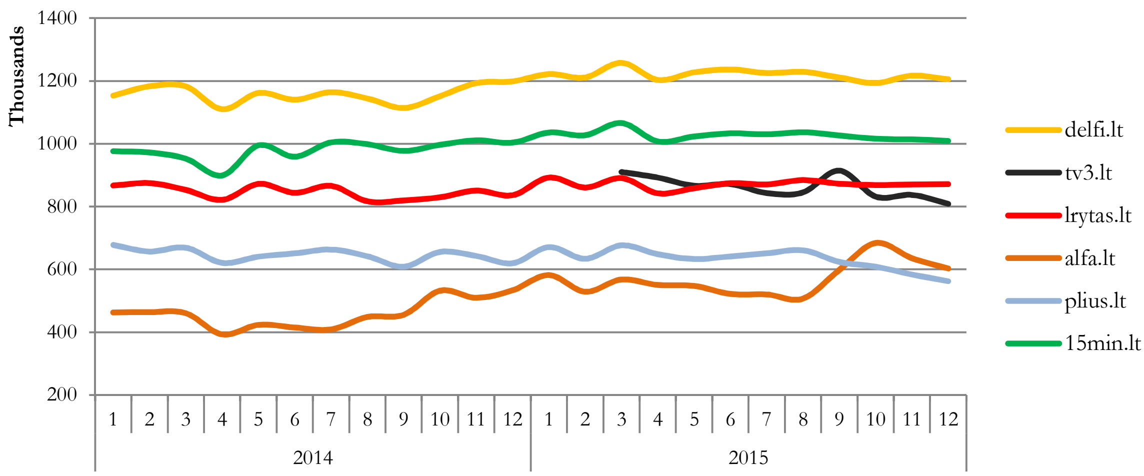


GemiusAudience monthly audience survey

2015 was full of changes for Latvian online portals as a whole. At the start of the year, Delfi overtook Inbox.lv and was Latvia's largest portal for several months. At the end of the year, however, Inbox.lv regained the leader position in readership. The gap between news portals Delfi and Tvnet has remained largely unchanged. Unlike in Estonia, the number of mobile users in Latvia is not growing as rapidly and there is less competition. At the same time, the number of mobile users is expected to increase notably in 2016.

Starting from January 2015, the method of the Gemius online survey has changed. The readership in 2015 includes statistics of users in the age group 7-74 years of age. In previous periods, statistics was published on the age group 15-74 years of age.

Lithuanian online readership 2014-2015

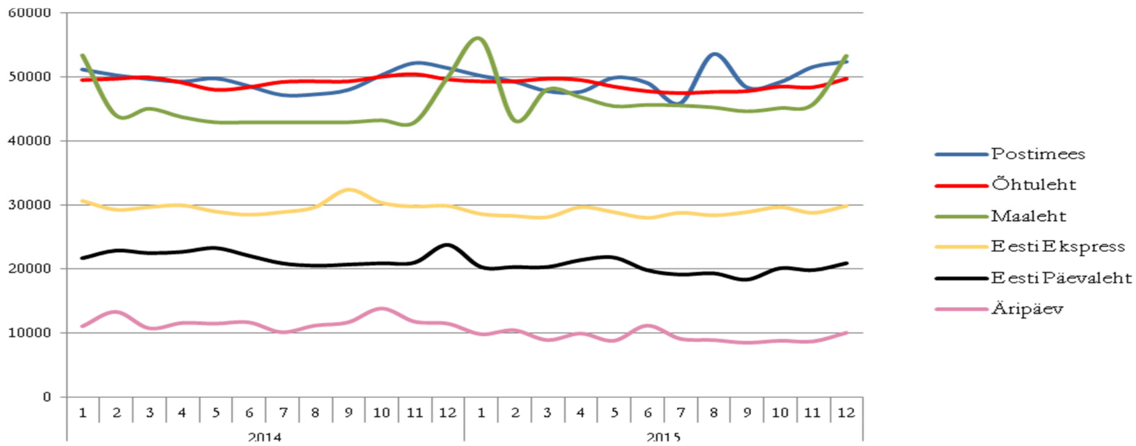


GemiusAudience monthly audience survey

Delfi remains Lithuanian largest online portal. In the 4th quarter 2015, there were no major changes in preferences of online users in Lithuania. However, competition on the market is increasing because MTG has acquired products of Tipro group including several online portals and merged them with tv3.lt, creating Lithuanian fourth largest group of online portals. However, its readership has been decreasing as is characteristic to the merger of various portals. Among mobile users, the two leading competitors in Lithuania are Delfi.lt and 15min.lt. In 2016 it is expected that the fastest-growing business will be creating and marketing video content.

PRINT MEDIA IN ESTONIA

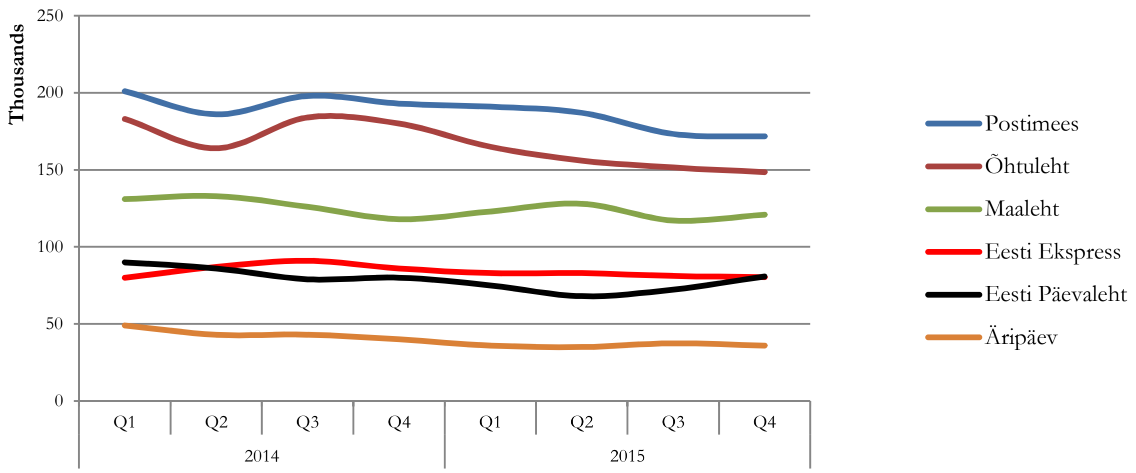
Estonian newspaper circulation 2014-2015



Estonian Newspaper Association data

Circulations of newspapers in Estonia are falling moderately, although in the second half of 2015 the circulations once again posted growth. The newspaper market is clearly stabilizing and the number of subscribers and retail buyers remains unchanged or is even growing. This may be partly due to stronger marketing of digital newspapers that is bringing people back to local newspapers. Stable and even growth of Õhtuleht and Maaleht is encouraging. In different months, both newspapers had Estonian largest print circulations. One also needs to add to these figures the number of subscribers of digital newspapers which totalled more than 12 thousand for newspapers published by the Ekspress Group at the end of 2015.

Estonian newspaper readership 2014-2015



Turu-uuringute AS

With regard to the circulation of newspapers, also the readership of publications has remained relatively stable, although in the long run it is decreasing ca 3-5% a year. Since this survey does not cover the readership of digital newspapers, it does not represent the actual readership. The number of digital subscribers of periodicals of the Ekspress Group exceeds 12 thousand. Increasing the readership of digital newspapers remains the main task for the Group's publications. There have been no significant changes in the competition situation in readership in 2015. The only newspapers that have increased readership from the 4th quarter 2015 were Eesti Päevaleht and Maaleht.

PRINTING SERVICES SEGMENT

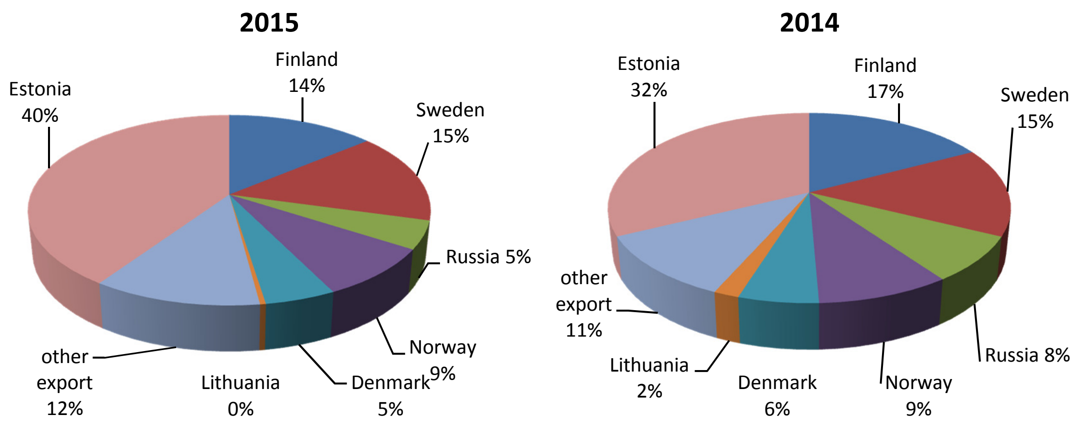
All printing services of the Group are provided by AS Printall which is one of the largest printing companies in Estonia. Printall is able to print both newspapers (coldset) and magazines (heatset).

(EUR thousand)	Sales			EBITDA		
	Q4 2015	Q4 2014	Change %	Q4 2015	Q4 2014	Change %
AS Printall	7 386	8 083	-9%	1 355	1 623	-17%

(EUR thousand)	Sales			EBITDA		
	12 months 2015	12 months 2014	Change %	12 months 2015	12 months 2014	Change %
AS Printall	25 842	28 951	-11%	4 966	5 944	-16%

Sanctions against Russia and the related decrease in orders and price pressure in Scandinavia characterize the whole year, resulting in the decrease of sales revenue and EBITDA. Situation has stabilized in December thus giving hope for better results next year. Due to changes in the political landscape there have also been changes in the structure of export markets where the share of Russia continues to decrease. The increase of the proportion of services sold to Estonia is primarily attributable to the new sheet-fed machine installed at the beginning of 2015, used for printing magazine covers, small-circulation magazines and advertising products.

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. Printall has been 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 has 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.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 31.12.2015, 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. The share capital and the total number of shares have remained unchanged since 31.12.2011.

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.

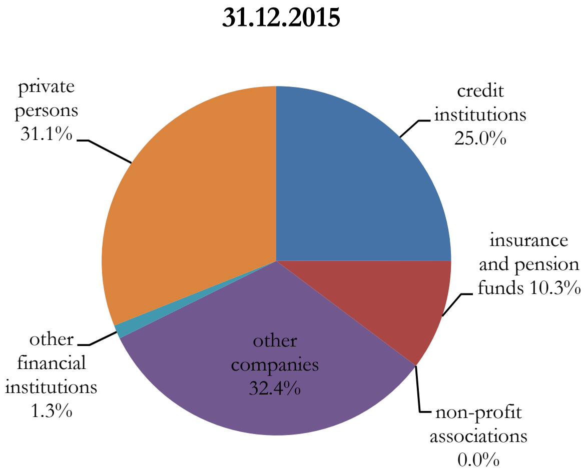
Structure of shareholders as of 31.12.2015 according to the Estonian Central Register of Securities

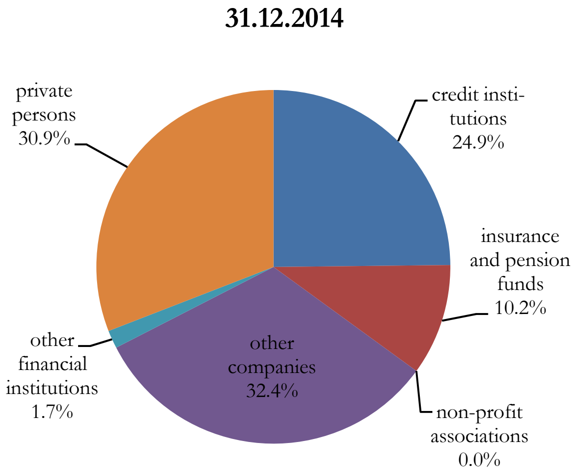
Name	Number of shares	%
Hans Luik	16 597 532	55.70%
Hans Luik	*7 963 307*	*26.73%*
Hans Luik, OÜ HHL Rühm	*8 627 325*	*28.95%*
Hans Luik, OÜ Minigert	*6 900*	*0.02%*
ING Luxembourg S.A.	4 002 052	13.43%
Skandinaviska Enskilda Banken Ab Clients	2 085 227	7.00%
LHV Bank and funds managed by LHV Varahaldus	2 179 441	7.31%
Members of the Management and Supervisory Boards and their close relatives	39 364	0.13%
Viktor Mahhov, OÜ Flexinger	*37 464*	*0.13%*
Pirje Raidma, OÜ Aniston Trade	*1 900*	*0.01%*
Other minority shareholders	4 744 701	15.92%
Treasury shares	148 524	0.50%
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 according to the Estonian Central Register of Securities

Category	31.12.2015		31.12.2014	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Private persons	2 862	9 253 538	2 981	9 209 326
Other companies	247	9 652 351	262	9 656 142
Other financial institutions	51	378 925	61	492 505
Credit institutions	13	7 448 318	12	7 405 159
Insurance and retirement funds	11	3 063 290	11	3 033 290
Non-profit organisations	2	419	2	419
TOTAL	**3 186**	**29 796 841**	**3 329**	**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 (until May 2014)	Finasta Investment Bank

Payment **of dividends** is decided annually and it depends on the Group's results of operations, fulfilment of conditions laid down in the syndicated loan contract and potential investment needs. The company expects to continue with regular dividend payments to its investors.

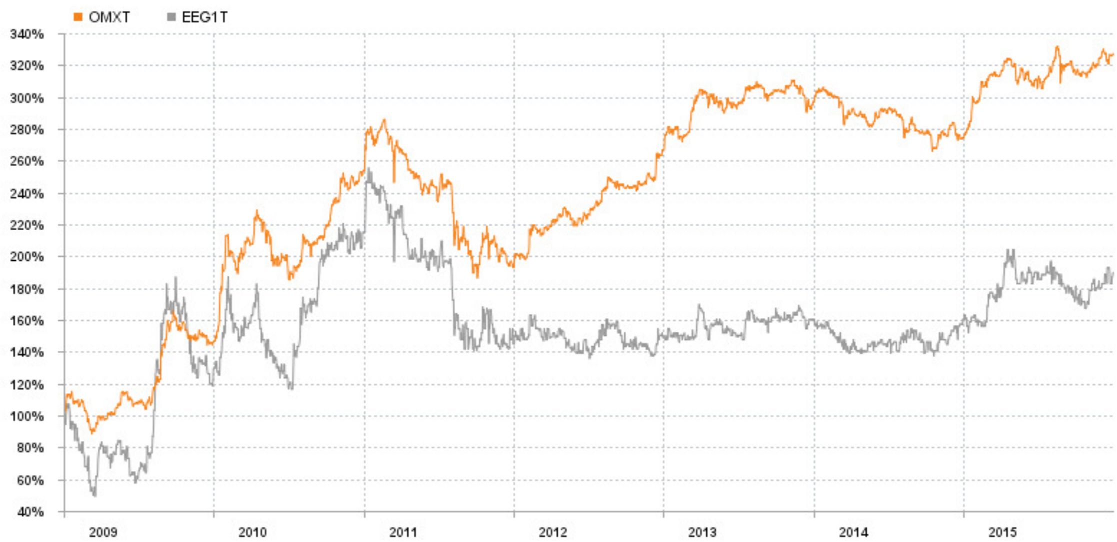
Date of the General Meeting	24.05.2013	20.06.2014	27.05.2015
Period for which dividends are paid	2012	2013	2014
Dividend payment per share (EUR)	1 cent	1 cent	4 cents
Total payment of dividends (EUR thousand)	298	298	1 187
Date of fixing the list of dividend recipients	07.06.2013	09.07.2014	10.06.2015
Date of dividend payment	01.10.2013	02.10.2014	02.10.2015

The table below shows the stock trading history 2011-2015

Hind (EUR)	12 months 2015	12 months 2014	12 months 2013	12 months 2012	12 months 2011
Opening price	1.15	1.12	1.06	1.03	1.53
Closing price	1.35	1.14	1.14	1.06	1.03
High	1.47	1.14	1.22	1.18	1.84
Low	1.07	0.79	1.03	0.96	0.95
Average	1.28	1.03	1.13	1.04	1.32
Traded shares, pieces	657 508	1 389 244	1 395 363	1 247 945	3 909 472
Sales, millions	0.84	1.43	1.57	1.30	5.17
Capitalisation at balance sheet date, millions	40.23	33.97	33.97	31.58	30.72
P/E ratio (price earnings ratio)	14.94	6.56	31.45	12.51	18.24

The price of the share of Ekspress Group (EEG1T) in euros and the trading statistics on OMX Tallinn Stock Exchange from 1 January 2009 until 31 December 2015.

The share price comparison (%) with OMX Tallinn Stock Exchange index from 1 January 2009 until 31 December 2015.



SUPERVISORY AND MANAGEMENT BOARDS OF AS EKSPRESS GRUPP

The Supervisory Board of AS Ekspress Grupp has six members.

Viktor Mahhov (appointed until 20.05.2019)
- Chairman of the Supervisory Board since 2006
- AS Scandagra Estonia Finance Director
- Completed graduate studies in economics at St. Petersburg University in 1992

Hans H. Luik (appointed until 20.05.2019)
- 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 (appointed until 20.05.2019) – independent Supervisory Board member
- Member of the Supervisory Board since 2007
- Chairman of the Board of Directors of Avaus Marketing Innovations Oy
- Chairman of the Board of Directors of Rostek Oy
- Member of the Board of Directors of Futurice Oy
- Chairman of the Management Board of HRC Invest Oy
- Completed graduate studies in economics

Kari Sakari Salonen (appointed until 20.05.2019)
- Member of the Supervisory Board since 2012
- Member of the Board of Directors of KJK Management SA
- Chairman of the Board of Directors of KJK Capital Oy
- Chairman of the Board of Directors of KJK Invest Oy
- Member of the Management Board of KJK Fund Sicav-SIF
- Member of the Board of Directors of KJK Fund II Sicav-SIF
- Member of the Board of UAB "D Investuciju Valdymas"
- Graduated from Espoo School of Economics in 1983

Indrek Kasela (appointed until 20.05.2019) - independent supervisory board member
- Member of the Supervisory Board since 2014
- Partner of the private equity fund Amber Trust
- Chairman of the Management Board of AS PRFoods
- Member of the Supervisory Board of AS Toode, ELKE Grupi AS, EPhaG AS, Salva Kindlustuse AS.
- Graduated from New York University in 1996 with a Master's degree in law. Bachelor's degree from Tartu University in 1994, has a certificate in EU law from Uppsala University.

Jaak Ennuste (appointed until 20.05.2019) - independent supervisory board member
- Member of the Supervisory Board since 2014
- Member of the Supervisory Board and partner of e-marketing agency ADM Interactive
- Member of the Supervisory Board and partner of Mediabrands Digital
- Graduated *cum laude* from Tallinn University of Technology in 1989 with a degree in engineering and finished Accelerated Development programme at London Business School in 2001.

Management Board

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.

Gunnar Kobin (term of contract until 31.12.2016)

- 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 (term of contract until 16.12.2017)

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

Pirje Raidma (term of contract until 16.12.2017)

- 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 in 1996 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)	31.12.2015	31.12.2014
ASSETS		
Current assets		
Cash and cash equivalents	2 927	3 656
Term deposit	0	19
Trade and other receivables	6 741	6 519
Corporate income tax prepayment	0	37
Inventories	2 718	2 072
Total current assets	**12 386**	**12 303**
Non-current assets		
Term deposit	0	1 600
Trade and other receivables	1 149	1 170
Deferred tax asset	42	65
Investments in joint ventures	1 007	500
Investments in associates	215	164
Property, plant and equipment (Note 5)	13 791	14 506
Intangible assets (Note 5)	44 590	46 287
Total non-current assets	**60 794**	**64 292**
TOTAL ASSETS	**73 180**	**76 595**
LIABILITIES		
Current liabilities		
Borrowings (Note 7)	2 240	5 213
Trade and other payables	6 679	6 249
Corporate income tax payable	114	19
Total current liabilities	**9 033**	**11 481**
Non-current liabilities		
Long-term borrowings (Note 7)	15 447	17 939
Deferred tax liability	26	0
Total non-current liabilities	**15 473**	**17 939**
TOTAL LIABILITIES	**24 506**	**29 420**
EQUITY		
Share capital (Note 11)	17 878	17 878
Share premium	14 277	14 277
Treasury shares (Note 11)	(176)	(64)
Reserves (Note 11)	1 787	1 440
Retained earnings	14 908	13 644
TOTAL EQUITY	**48 674**	**47 175**
TOTAL LIABILITIES AND EQUITY	**73 180**	**76 595**

The Notes presented on pages 32-48 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q4 2015	Q4 2014	12 months 2015	12 months 2014
Sales revenue	14 811	14 454	52 773	52 793
Cost of sales	(11 121)	(10 781)	(41 781)	(40 688)
Gross profit	**3 690**	**3 673**	**10 992**	**12 105**
Other income	281	132	659	470
Marketing expenses	(743)	(600)	(2 377)	(2 011)
Administrative expenses	(1 472)	(1 495)	(5 236)	(5 438)
Other expenses	(38)	(49)	(118)	(153)
Gain from change in ownership interest in joint ventures (Note 4)	0	978	0	1 933
Impairment of goodwill (Note 6)	(1 200)	(1 443)	(1 200)	(1 443)
Operating profit	**518**	**1 196**	**2 720**	**5 463**
Interest income	10	22	42	27
Interest expense	(125)	(158)	(550)	(689)
Foreign exchange gains/(losses)	(1)	(2)	(6)	33
Other finance costs	(15)	(43)	(71)	(90)
Net finance cost	**(131)**	**(181)**	**(585)**	**(719)**
Profit (loss) on shares of joint ventures	196	182	785	557
Profit (loss) from investments in associates	72	39	86	23
Profit before income tax	**655**	**1 236**	**3 006**	**5 324**
Income tax expense	(195)	(100)	(299)	(214)
Net profit for the reporting period	**460**	**1 136**	**2 707**	**5 110**
Net profit for the reporting period attributable to:				
Equity holders of the parent company	460	1 136	2 707	5 110
Other comprehensive income (expense) that may be subsequently reclassified to profit or loss				
Currency translation differences	0	0	0	(34)
Total other comprehensive income (expense)	**460**	**1 136**	**2 707**	**5 076**
Comprehensive income (expense) for the reporting period				
Attributable to equity holders of the parent company	460	1 136	2 707	5 076
Basic and diluted earnings per share (Note 9)	0.02	0.04	0.09	0.17

The Notes presented on pages 32-48 form an integral part of the consolidated interim report.

Consolidated statement of changes in equity (unaudited)

(EUR thousand)	Share capital	Share premium	Treasury shares	Reserves	Currency translation reserve	Retained earnings	Total equity
Balance on 31.12.2013	**17 878**	**14 277**	**0**	**1 250**	**72**	**8 848**	**42 325**
Increase of statutory reserve capital	0	0	0	54	0	(54)	**0**
Dividend paid	0	0	0	0	0	(298)	**(298)**
Purchase of treasury shares	0	0	(64)	0	0	0	**(64)**
Share option	0	0	0	136	0	0	**136**
Total transactions with owners	*0*	*0*	*(64)*	*190*	*0*	*(352)*	***(226)***
Net profit for the reporting period	0	0	0	0	0	5 110	**5 110**
Reversal of currency translation reserve	0	0	0	0	(38)	38	**0**
Other comprehensive income	0	0	0	0	(34)	0	**(34)**
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*(72)*	*5 148*	***5 076***
Balance on 31.12.2014	**17 878**	**14 277**	**(64)**	**1 440**	**0**	**13 644**	**47 175**
Increase of statutory reserve capital	0	0	0	256	0	(256)	**0**
Dividend paid	0	0	0	0	0	(1 187)	**(1 187)**
Purchase of treasury shares	0	0	(112)	0	0	0	**(112)**
Share option	0	0	0	91	0	0	**91**
Total transactions with owners	*0*	*0*	*(112)*	*347*	*0*	*(1 443)*	***(1 208)***
Net profit for the reporting period	0	0	0	0	0	2 707	**2 707**
Other comprehensive income	0	0	0	0	0	0	**0**
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*0*	*2 707*	***2 707***
Balance on 31.12.2015	**17 878**	**14 277**	**(176)**	**1 787**	**0**	**14 908**	**48 674**

The Notes presented on pages 32-48 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	12 months 2015	12 months 2014
Cash flows from operating activities		
Operating profit for the reporting year	2 720	5 463
Adjustments for:		
Depreciation, amortisation and impairment (Note 5)	2 760	2 921
Loss on goodwill impairment	1 200	1 443
Gain from change in ownership interest in joint ventures	0	(1 933)
(Gain)/loss on sale and write-down of property, plant and equipment	(4)	6
Change in value of share option (Note 10)	91	136
Cash flows from operating activities:		
Trade and other receivables	(191)	334
Inventories	(645)	251
Trade and other payables	361	(2 250)
Cash generated from operations	**6 292**	**6 371**
Income tax paid	(118)	(185)
Interest paid	(525)	(692)
Net cash generated from operating activities	**5 649**	**5 494**
Cash flows from investing activities		
Term deposit (placement)/release	1 600	(1 600)
Received on restructuring of joint ventures (Note 4)	0	2 354
Investments in joint ventures	0	(3)
Acquisition of associate (Note 4)	0	(135)
Purchase of other investments	(50)	0
Interest received	33	6
Purchase of property, plant and equipment (Note 5)	(1 575)	(3 101)
Proceeds from sale of property, plant and equipment	33	13
Loans granted	0	(24)
Loan repayments received	74	7
Net cash used in investing activities	**115**	**(2 483)**
Cash flows from financing activities		
Dividends paid (Note 11)	(1 187)	(298)
Dividends received from joint ventures	278	203
Finance lease repayments	(89)	(75)
Change in use of overdraft	(1 117)	1 117
Loan received (Note 7)	687	1 346
Repayments of bank loans (Note 7)	(4 952)	(3 695)
Purchase of treasury shares (Note 11)	(112)	(64)
Net cash used in financing activities	**(6 492)**	**(1 466)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(729)**	**1 545**
Cash and cash equivalents at the beginning of the year	3 656	2 111
Cash and cash equivalents at the end of the year	2 927	3 656

The Notes presented on pages 32-48 form an integral part of the consolidated interim report.

SELECTED 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: Parda 6, 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 29 February 2016.

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

Company name	Status	Ownership interest 31.12.2015	Ownership interest 31.12.2014	Main field of activity	Domicile
Operating segment: corporate functions					
Ekspress Grupp AS	Parent company			Holding company and support services	Estonia
Ekspress Digital OÜ	Subsidiary	100%	100%	Provision of IT services	Estonia
Ekspress Finance OÜ	Subsidiary	100%	100%	Provision of financing within a Group	Estonia
Operating segment: media (online and print media)					
Ekspress Meedia AS (former Delfi AS)	Subsidiary	100%	100%	Online media, publishing of daily and weekly newspapers (from 1 July 2015 merged with AS Eesti Ajalehed)	Estonia
Eesti Ajalehed AS	Subsidiary	-	100%	Publishing of daily and weekly newspapers (from 1 July 2015 merged with Delfi AS and continues under the name of Ekspress Meedia)	Estonia
Delfi A/S	Subsidiary	100%	100%	Online media	Latvia
Cālis LV SIA	Subsidiary	-	100%	Online media (merged with Delfi Latvia In May 2015)	Latvia
Delfi UAB	Subsidiary	100%	100%	Online media and magazine publishing (merged with UAB Ekspress Leidyba on 1 July 2014)	Lithuania
Sport Media UAB	Subsidiary	51%	51%	Currently dormant	Lithuania
Delfi Holding SIA	Subsidiary	100%	100%	Holding company (previously parent company to Delfi companies in different countries)	Latvia
Zave Media OÜ	Subsidiary	100%	-	Developer of portal incorporating retailers' sales offers throughout Baltics (set up in June 2015)	Estonia
Hea Lugu OÜ	Subsidiary	100%	100%	Book publishing	Estonia
Ajakirjade Kirjastus AS	Joint venture	50%	50%	Magazine publishing	Estonia
SL Õhtuleht AS	Joint venture	50%	50%	Newspaper publishing	Estonia
Express Post AS	Joint venture	50%	50%	Home delivery of periodicals	Estonia
Adnet Media UAB	Associate	49%	49%	Online advertising solutions and network	Lithuania
Adnet Media OÜ	Associate	49%	49%	Online advertising solutions and network	Estonia
Adnet Media SIA	Associate	49%	49%	Online advertising solutions and network	Latvia
Operating segment: printing services					
Printall AS	Subsidiary	100%	100%	Printing services	Estonia
Operating segment: entertainment					
Delfi Entertainment SIA	Subsidiary	100%	100%	Arrangement of exhibitions	Latvia

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for 12 months of 2015 ended on 31 December 2015 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 December 2014.

The Management Board estimates that the interim consolidated financial statements for 12 months of 2015 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.

Starting from 1 January 2015, several new standards, amendments to standards and interpretations were entered into force which became mandatory for the Group but none of which have an impact on the Group's interim financial statements.

On 1 January 2015, the Republic of Lithuania joined the euro zone and adopted the euro as the national currency, which replaced the Lithuanian litas. As the Lithuanian litas was already previously pegged to the euro at the transition rate LTL 3.4528/EUR 1, no any translation differences occurred subsequently.

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 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 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 account balances (incl. term deposits) by credit ratings of the banks

Bank name	Moody`s	Standard & Poor`s	31.12.2015	31.12.2014
SEB	Aa3	A+	2 266	4 835
Swedbank	Aa3	AA-	285	289
Nordea/Danske	Aa3/A2	AA-/A	364	141
Total			**2 915**	**5 265**

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 and credit limits. 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. Subsidiaries in Estonia outsource reminder services in order to collect overdue receivables more effectively.

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. At the beginning clients' payment behaviour will be 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 case of large transactions, in particular in the segment of printing services, clients are requested to make prepayment or provide a guarantee letter.

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

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 subsidiaries and joint ventures prepare long term cash flow projections for the following year, which are adjusted on a quarterly basis. For monitoring short-term cash flows the subsidiaries prepare eight week cash flow projections on a weekly basis.

To manage 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's overdraft loan is long-term and related to the term of the syndicated loan contract. This essentially works as a long-term line of credit, the use of which the Group can regulate at its own discretion. The Group has still quite high leverage, thus 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 taken by the Group are all tied to Euribor.

The Group's interest rate risk is related to short-term and long-term borrowings which carry a floating interest rate. The interest rate risk is mainly related to the fluctuation of Euribor and also the resulting change in average interest rates of banks. Interest rate change by 1 percentage point would change the Group's loan interest expense by ca 180 thousand euros per year.

Type of interest	Interest rate	31.12.2015 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	3-month Euribor + 2.5%	Syndicated loan (*Parent Company*)	1 507	9 449	10 955
	3-month Euribor + 2.5%	Syndicated loan *(Printall)*	678	5 988	6 666
	1-month Euribor + 2.3%	Finance lease *(Printall, Delfi Estonia)*	56	9	65
	1-month Euribor + 1.9%	Overdraft	0	0	0

Type of interest	Interest rate	31.12.2014 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1-month Euribor + 2.5%	Syndicated loan (*Parent Company*)	3 139	11 931	15 070
	1-month Euribor + 2.5%	Syndicated loan *(Printall)*	665	4 805	5 470
	3-month Euribor + 2.7%	Syndicated loan Tranche D*(Printall)*	212	1 135	1 347
	1-month Euribor + 2.3%	Finance lease *(Printall, Delfi Estonia)*	80	69	149
	1-month Euribor + 1.9%	Overdraft	1 117	0	1 117

Foreign exchange risk

The Group's operating activities have an international dimension and therefore, the Group is to some extent exposed to foreign exchange risk. 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 the functional currency. The Group's income is primarily fixed in local currencies, i.e. the euros in Estonia, Latvia and Lithuanian (litas in Lithuania until 31.12.2014). 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 outside of euro-zone and it also issues invoices denominated in Norwegian kroner and Swedish kronor. In 2015 such foreign exchange risk was on a level of ca 6% of Group's revenue (in 2014: ca 4%). In addition, the Russian clients pay in Russian roubles, although the invoices issued have been denominated in euros and hence carry no exchange risk. The amounts received in foreign currencies are typically converted into euros immediately after their receipt, thereby reducing open foreign currency positions. No other means are used for hedging foreign exchange risk.

Due to the adoption of the euro by the Republic of Lithuania on 1 January 2015, as of 31.12.2015 the Group has foreign currency risk only related to the Swedish krona in the amount of EUR 465 thousand and other currencies (GBP, NOK, USD) in the amount of EUR 21 thousand.

Financial assets and financial liabilities by currency as of 31.12.2014

(EUR thousand)	EUR	LTL	SEK	Other currency	TOTAL
Assets					
Cash and cash equivalents	2 923	751	0	1	**3 675**
Receivables	5 820	1 564	154	16	**7 554**
Term deposit	1 600	0	0	0	**1 600**
Total financial assets	**10 343**	**2 315**	**154**	**17**	**12 829**
Liabilities					
Borrowings	23 152	0	0	0	**23 152**
Trade payables and accrued expenses	3 519	470	2	3	**3 995**
Total financial liabilities	**26 671**	**470**	**2**	**3**	**27 146**
Net foreign currency position	**(16 329)**	**1 845**	**152**	**14**	

Price risk

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 different limits 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. All agreements prepared by law offices are reviewed by the management and in-house lawyers. 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 regular 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 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 common industry practice, the Group uses the debt to capital ratio to monitor its 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 the 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)	31.12.2015	31.12.2014
Interest-bearing debt	17 687	23 152
Cash and bank accounts	2 927	5 275
Net debt	14 760	17 877
Equity	48 674	47 175
Total capital	63 434	65 052
Debt to capital ratio	**23%**	**27%**
Total assets	73 180	76 595
Equity ratio	**67%**	**62%**

Note 4. Business combinations

Acquisition of AS Ajakirjade Kirjastus and AS SL Õhtuleht in June 2014

In June 2014 AS Ekspress Grupp acquired 50% of the shareholdings in joint ventures AS SL Õhtuleht and AS Ajakirjade Kirjastus for the remuneration of EUR 3.3 million and resold the shares immediately to new co-investor OÜ Suits Meedia.

In July 2014, AS Ekspress Grupp reorganised its shareholdings in joint ventures AS SL Õhtuleht and AS Ajakirjade Kirjastus. Before the shareholdings were held directly in both companies, but starting from July 2014, the shares were owned through new holding companies OÜ Ajaleht Holding and OÜ Ajakirjad Holding, respectively. Both AS Ekspress Grupp and OÜ Suits Meedia each owned 50% of the aforementioned holding companies. Holding companies were set up by monetary contributions to their share capital. AS Ekspress Grupp paid in EUR 1,250 into the share capital of each holding company. Shareholdings in joint ventures were sold to new holding companies at the market value, i.e. for the same amount they had been acquired from previous co-owner AS Eesti Meedia. The same course of action applied for OÜ Suits Meedia. As a result of these transactions, the new holding companies became 100% owners of joint ventures and in their consolidated balance sheets, all identifiable assets of the joint ventures were recognised at fair value, including trademarks, customer relations, etc. Also goodwill was recognised in the balance sheet, which is the difference between the paid price and fair value of identifiable assets and liabilities. For the acquisition of 100% shareholdings, the holding companies borrowed a total of EUR 3.2 million from the bank.

The table below shows 50% of the assets in the acquired entities as of 30 June 2014. As a result of the reorganisation, the financial income was recognised in the consolidated income statement in the amount of EUR 1 933 thousand that is attributable to the terminating of common joint ventures with previous co-owner and change in shareholdings. In November 2014 holding company OÜ Ajaleht Holding was mergered with AS SL Õhtuleht and OÜ Ajakirjad Holding was merged with AS Ajakirjade Kirjastus.

(EUR thousand)	OÜ Ajaleht Holding & AS SL Õhtuleht (50%)		OÜ Ajakirjad Holding & AS Ajakirjade Kirjastus (50%)	
	Fair value	Carrying amount	Fair value	Carrying amount
Net assets	379	379	528	528
Trademark, customer relations and other intangible assets	759	0	385	23
Total identifiable assets	**1 139**	**379**	**915**	**551**
Goodwill	**809**		**469**	
Fair value of ownership interest	1 947		1 385	
Cash and cash equivalents in acquired company	800		385	
Bank loan received by companies	893		694	

Other acquisitions

On 30 September 2014 the acquisition of a 49% holding in **Adnet media UAB**, an associate, was completed. On the basis of the agreement of purchase and sale of shares, the Group has an option to acquire the remaining 51% of the shares of Adnet Media at the start of 2017. The 49% holding was acquired for a cash consideration in the amount of EUR 135 thousand. Adnet Media is engaged in internet advertising sales in Estonia, Latvia and Lithuania. The purpose of the acquisition was to enlarge the advertising product portfolio in the online media segment. The purchase analysis of Adnet Media was prepared on the basis of the balance sheet as of 30.09.2014. The consolidated net assets of the company were negative and goodwill was recognised in the amount of EUR 135 thousand. The investment in the associate is recognised in the Group's consolidated report under the equity method and the arising goodwill is recognised in the balance sheet among the carrying value of the investment.

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 Adnet media UAB as of 30 September 2014.

(EUR thousand)	Adnet media UAB (49%)	
	Fair value	Carrying amount
Net assets	(22)	(22)
Trademark	0	0
Total identifiable assets	**(22)**	**(22)**
Goodwill	**135**	
Cost of acquired ownership interest	135	
Cash paid for ownership interest	135	
Cash and cash equivalents in acquired company	6	
Total cash effect on the group	**(129)**	

Note 5. Property, plant and equipment, and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	12 months 2015	12 months 2014	12 months 2015	12 months 2014
Balance at beginning of the period				
Cost	31 832	29 271	63 889	63 626
Accumulated depreciation and amortisation	(17 326)	(15 676)	(17 602)	(15 264)
Carrying amount	**14 506**	**13 595**	**46 287**	**48 362**
Acquisitions and improvements	1 250	2 886	330	241
Impairment loss	0	0	(1 200)	(1 443)
Disposals (at carrying amount)	(22)	(4)	0	0
Write-offs and write-downs of PPE	(8)	(10)	(4)	(6)
Reclassification	(1)	6	1	86
Depreciation and amortisation	(1 934)	(1 968)	(826)	(953)
Balance at end of the period				
Cost	32 543	31 832	**63 834**	**63 889**
Accumulated depreciation and amortisation	(18 752)	(17 326)	**(19 243)**	**(17 602)**
Carrying amount	**13 791**	**14 506**	**44 590**	**46 287**

Information about the items of non-current assets pledged as loan collateral is disclosed in Note 7.

Note 6. Intangible assets

Intangible assets by type

(in thousands)	EUR	
	31.12.2015	31.12.2014
Goodwill	36 953	38 153
Trademarks	6 911	7 469
Other intangible assets	726	665
Total intangible assets	**44 590**	**46 287**

Goodwill by cash-generating units and segments

(thousands)	EUR	
	31.12.2015	31.12.2014
Delfi Estonia	15 281	15 281
Delfi Latvia	7 007	8 207
Delfi Lithuania	12 848	12 848
Maaleht	1 816	1 816
Total goodwill	**36 953**	**38 153**

The discounted cash flow method is used to determine **the recoverable value** and to calculate value in use in the impairment tests. For each business unit acquired, five-year cash flow forecasts have been prepared for the respective cash-generating units. Revenue growth, variable and fixed costs have been estimated on the basis of prior period results and future strategic plans. In the impairment tests, the nominal models are used.

The impairment test of Delfi Estonia includes the cash flows of the Delfi product in AS Ekspress Meedia. The impairment test of Delfi Latvia includes the cash flows of the Latvian legal entity AS Delfi and also calis.lv which was acquired in 2013 and mergered with Delfi Latvia in 2015. The impairment test of Delfi Lithuania includes the cash flows of Lithuanian entity UAB Delfi, which incorporates magazine publishing revenues from UAB Ekspress Leidyba which were merged with Delfi in July 2014. The impairment test of Maaleht is based on the future cash flows of business of newspaper Maaleht and magazine Maakodu in AS Ekspress Meedia. Any trademark royalty or management fees charged internally within the Group have been re-allocated back to the cash-flows of Delfi local operations.

The applied revenue growth rates are as follows:

Cash-generating unit	Average revenue growth next 5 years		Terminal value growth	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Delfi Estonia	9.0%	9.6%	3.5%	3.5%
Delfi Latvia	11.1%	11.8%	3.5%	3.5%
Delfi Lithuania	6.7%	6.8%	3.5%	3.5%
Maaleht	-1.1%	0.8%	0%	0%

The present value and the terminal value of the cash flows for the following five years were determined using the weighted average cost of capital as the discount rate, where the expected ROE is 12.5%-13.3% (2014: 11.5%-12%) and the return on debt is 3.6%-4% (2014: 3.8%-4%). The debt to equity ratio is based on the latest average debt to equity ratio in publishing and newspapers sector provided by the database of Damodaran Online. The cost of equity has been calculated using CAPM (Capital Asset Pricing Model). The latest average unleveraged beta of the publishing and newspaper industry based on Damodaran Online database has been used as one component. The yields on long-term government bonds with maturities of close to ten years issued by Latvia and Lithuania provided by the European Central Bank have been used as the basis for determining the risk rates of these countries. In respect of Estonia, the country's risk rate is based on the long-term euro bond yield of Germany, plus the default spread for Estonia according to the database of Damodaran Online.

In 2015 there has been a bigger change in publishing industry average unleveraged beta and also industry average debt to equity ratio has increased more compared to the level of previous years. Thus increasing applied discount rate used in valuation tests. Increase in discount rates also reflects grown risks in stock markets.

The applied discount rates are as follows:

Cash-generating unit	31.12.2015	31.12.2014
Delfi Estonia	10.16%	9.33%
Delfi Latvia	9.56%	9.14%
Delfi Lithuania	9.82%	9.44%
Maaleht	10.16%	9.33%

The table below shows the recoverable and carrying amounts of cash-generating units, and the differences between them prior to recognition of an impairment loss. **The carrying amounts** include in addition to goodwill also trademarks, property, plant and equipment, other intangible assets and working capital.

(EUR thousand)	31.12.2015			31.12.2014		
	Recoverable Amount	Carrying amount (prior to impairment)	Difference	Recoverable amount	Carrying amount (prior to impairment)	Difference
Delfi Estonia	21 263	17 819	3 444	20 569	17 996	2 573
Delfi Latvia	9 530	10 730	(1 200)	10 741	12 184	(1 443)
Delfi Lithuania	28 961	16 123	12 838	33 077	16 171	16 906
Maaleht	4 927	1 537	3 390	6 827	1 532	5 295

The Group's management considers the key assumptions used for the purpose of impairment testing of all cash-generating units to be realistic. If there is a major unfavourable change in any of the key assumptions used in the test, an additional impairment loss may be recognised.

Due to continued uncertainty in Eurozone countries, unclear economic impact of sanctions on Russia, weak outlook in print media sector and thus more conservative assumptions, the sensitivity of impairment tests remains high.

In Latvia the competition in online has increased after consolidation in 2014, which has forced also us to strengthen our editorial office and invest more in different online products.

The earnings of both Delfi Lithuania and Maaleht are high and their future expected cash flows exceed the carrying value of its related assets by amount where any reasonable change in underlying assumptions would not cause the necessity for impairment loss to be recognized.

The sensitivity of goodwill related to Delfi Estonia and Delfi Latvia is much greater. It would be necessary to recognise an impairment loss if revenue of Delfi Estonia increased on average less than 4.7% in 2016-2020, the residual value growth was more than 1.7 pp lower or the applied discount rate was higher more than 1.25 pp. Regarding Delfi Latvia if in the forecasts for the period 2016-2020 each year revenue growth would only reach 8.6% instead of estimated 11.1%, an additional impairment loss of EUR 1 million should be recognized. Decrease of terminal value growth by 1 pp would cause additional impairment loss in amount of EUR 1.2 million and the increase in the discount rate by 1 pp would cause an additional impairment loss in amount of EUR 2.2 million.

Note 7. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term	
		Up to 1 year	1 - 5 years
Balance as of 31.12.2015			
Long-term bank loans	**17 621**	2 184	15 437
incl. syndicated loan (AS Ekspress Grupp)	**10 955**	1 507	9 449
incl. syndicated and mortgage loan (AS Printall)	**6 666**	678	5 988
Finance lease	**65**	56	9
Total	**17 686**	**2 240**	**15 447**
Balance as of 31.12.2014			
Overdraft	**1 117**	1 117	0
Long-term bank loans	**21 887**	4 016	17 870
incl. syndicated loan (AS Ekspress Grupp)	**15 070**	3 139	11 931
incl. syndicated and mortgage loan (AS Printall)	**6 817**	877	5 940
Finance lease	**149**	80	69
Total	**23 153**	**5 213**	**17 939**

The effective interest rates are very close to the nominal interest rates. The fair value of the loan liabilities is close to its book value as the interest rate is floating and related to Euribor and the margin has been negotiated based on market terms. The loan liabilities are within level 3 of the fair value hierarchy.

Long term bank loan

In September 2015, the joint syndicated loan of AS Ekspress Grupp and AS Printall was refinanced. The parties to the contract are still SEB Bank and Nordea Bank. As a result of the transaction, the new maturity date of the loan is October 2020. The main changes relate to the annual principal loan repayment and the applied interest rate. The annual loan repayment is approximately EUR 2 million and from 25 September 2015, the interest rate is 3-month EURIBOR + margin. Upon the expiration of the loan contract, the total loan balance will be ca EUR 7 million.

Refinancing of the loan will increase the amount of free capital in the company and enables to react in a timely manner to possible investment needs or increase dividends payable to the shareholders. Refinancing of the loan contract became possible because the group's loan burden had significantly decreased, making further depreciation of the loan at current rate no longer justified.

In March 2015, the Group repaid a syndicated loan in the amount of EUR 1.6 million before its due date, which became available from the deposit that had been set up to guarantee the loans of joint ventures. In August 2015 AS Printall received 0.7 million euros under the additional loan facility received to finance the purchase of new sheet –fed machine in 2014.

The syndicated and other 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 19 million (As of 31.12.2014: EUR 16 million), the trademarks of Delfi, Eesti Ekspress, Maaleht, Eesti Päevaleht and Eesti Ekspressi Kirjastus in the amount of EUR 5 million, the value of all of which is included within the net assets of the Group. In addition, the mortgage has been set on the registered immovable and production facilities of AS Printall in the amount of EUR 9 million. As of 31.12.2015, the carrying amount of the building was EUR 3.4 million and that of the registered immovable was EUR 0.4 million. Ultimate controlling shareholder has also given a personal guarantee in the amount of EUR 4 million to cover the syndicated loan and overdraft agreements.

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 end of each quarter in 2015, all financial ratios were in compliance with the loan covenants set in the loan contract.

Overdraft facilities

Date of contract	Bank	Limit (EUR thousand)	Used 31.12.2015 (EUR thousand)	Used 31.12.2014 (EUR thousand)	Interest rate	Expiration date of the contract
12.07.2012	Nordea Bank AB Estonia Branch	1 320	0	1 117	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**	**1 117**		

Note 8. 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 company perspective.

Until June 2014, the Group divided its media companies into two different segments: online media and publishing of periodicals. However, due to the mergers of UAB Delfi and magazine publisher UAB Ekspress Leidyba in Lithuania in July 2014, and AS Delfi and newspaper publisher AS Eesti Ajalehed in Estonia in July 2015, all media activities were recognised under one media segment.

Starting from the current year, the Group has ventured into the entertainment business under which SIA Delfi Entertainment organized an exhibition in Riga on M/S Titanic that sank on her maiden voyage. Revenue and expenses from this activity are recognised separately under the entertainment segment.

Media segment: management of online news portals and classified portals, advertising sales in own portals in the Baltics and publishing of newspapers, magazines, customer publications and books in Estonia and Lithuania.

This segment includes subsidiaries AS Ekspress Meedia (mergered entity of AS Delfi and AS Eesti Ajalehed in Estonia), AS Delfi (Latvia), UAB Delfi (Lithuania), Delfi Holding SIA (Latvia), OÜ Hea Lugu (Estonia) and OÜ Zave Media (Estonia).

This segment also includes the joint ventures AS Ajakirjade Kirjastus, AS SL Õhtuleht and AS Express Post. From 2014, joint ventures are not consolidated line-by-line, however some tables include their results and impact on the Group's figures.

The revenue of the **media segment** is derived from sale of advertising banners and other advertising space and products in its own portals, sales of advertising space in newspapers and magazines, revenue from subscriptions and single copy sales of newspapers and magazines, sales of books and miscellaneous series, services fees for preparation of customer materials and other projects.

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

Segment revenue is derived from the sale of paper and printing services.

Entertainment segment: organisation of exhibitions and other events. At present this new segment includes Latvian company SIA Delfi Entertainment. Income and expenses related to the entertainment segment but recognised at the parent company for which no separate subsidiary has been established yet, are also allocated to this segment. The segment revenue comes from exhibition's tickets sales and from sale of other services related to the organized events.

The loss of SIA Delfi Entertainment related to the arrangement of M/S Titanic exhibition in Riga was approximately EUR 700 thousand. It was decided to withdraw the exhibition rights in Vilnius, which resulted writing off the license fees for the exhibition's rights and other related expenses in the amount of EUR 400 thousand.

The Group's **corporate functions** are shown separately and they do not form a separate business segment. It includes the Parent Company AS Ekspress Grupp, which provides legal advice and accounting services to its group companies, a subsidiary OÜ Ekspress Digital that provides intra-group IT services, and OÜ Ekspress Finance, the main activity of which is intra-group financing.

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 consolidated sales revenue 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 basis and they do not differ significantly from the conditions of the transactions concluded with third parties.

Q4 2015 (EUR thousand)	Media	Printing services	Enter-tainment	Corporate functions	Elimi-nations	Total Group
Sales to external customers (subsidiaries)	**8 398**	**6 815**	**0**	**20**	**(421)**	**14 811**
Effect of joint ventures	2 643	(255)	0	(9)	(9)	2 370
Inter-segment sales	1	826	0	532	(1 359)	0
Total segment sales, incl. joint ventures	11 041	7 386	0	543	(1 789)	17 181
EBITDA (subsidiaries)	**1 299**	**1 355**	**(4)**	**(210)**	**0**	**2 440**
EBITDA margin (subsidiaries)	**15%**	**18%**	**-**			**16%**
EBITDA incl. joint ventures	*1 579*	*1 355*	*(4)*	*(210)*	*0*	*2 720*
EBITDA margin incl. joint ventures	*14%*	*18%*	*-*			*16%*
Depreciation (subsidiaries) (Note 5)						722
Trademarks and goodwill impairment (Note 5)						(1 200)
Operating profit (subsidiaries)						518
Investments (subsidiaries) (Note 5)						273

12 months 2015 (EUR thousand)	Media	Printing services	Enter-tainment	Corporate functions	Elimi-nations	Total Group
Sales to external customers (subsidiaries)	**30 053**	**23 728**	**517**	**65**	**(1 590)**	**52 773**
Effect of joint ventures	9 879	(996)	0	(16)	(113)	(8 755)
Inter-segment sales	10	3 110	0	1 888	(5 008)	0
Total segment sales, incl. joint ventures	39 943	25 842	517	1 937	(6 711)	61 528
EBITDA (subsidiaries)	**3 724**	**4 966**	**(1 110)**	**(899)**	**0**	**6 680**
EBITDA margin (subsidiaries)	**12%**	**19%**	**-215%**			**13%**
EBITDA incl. joint ventures	*4 913*	*4 966*	*(1 110)*	*(899)*	*0*	*7 869*
EBITDA margin incl. joint ventures	*12%*	*19%*	*-215%*			*13%*
Depreciation (subsidiaries) (Note 5)						2 760
Trademarks and goodwill impairment (Note 5)						(1 200)
Operating profit (subsidiaries)						2 720
Investments (subsidiaries) (Note 5)						1 580

Q4 2014 (EUR thousand)	Media	Printing services	Corporate functions	Elimi-nations	Total Group
Sales to external customers (subsidiaries)	**7 530**	**7 405**	**11**	**(492)**	**14 454**
Effect of joint ventures	2 606	(253)	(2)	(27)	2 324
Inter-segment sales	4	931	450	(1 385)	0
Total segment sales, incl. joint ventures	10 141	8 083	459	(1 905)	16 778
EBITDA (subsidiaries)	**1 103**	**1 623**	**(313)**	**0**	**2 413**
EBITDA margin (subsidiaries)	**15%**	**20%**			**17%**
EBITDA incl. joint ventures	*1 448*	*1 623*	*(313)*	*(0)*	*2 757*
EBITDA margin incl. joint ventures	*14%*	*20%*			*16%*
Depreciation (subsidiaries) (Note 5)					751
Gain from change in ownership interest in joint ventures					978
Trademarks and goodwill impairment					(1 443)
Operating profit (subsidiaries)					1 196
Investments (subsidiaries) (Note 5)					2 010

12 months 2014 (EUR thousand)	Media	Printing services	Corporate functions	Elimi-nations	Total Group
Sales to external customers (subsidiaries)	**27 426**	**26 813**	**27**	**(1 473)**	**52 793**
Effect of joint ventures	9 471	(756)	(5)	(118)	8 592
Inter-segment sales	33	2 894	1 709	(4 636)	0
Total segment sales, incl. joint ventures	36 930	28 951	1 731	(6 228)	61 384
EBITDA (subsidiaries)	**3 025**	**5 944**	**(1 076)**	**0**	**7 894**
EBITDA margin (subsidiaries)	**11%**	**21%**			**15%**
EBITDA incl. joint ventures	*4 013*	*5 944*	*(1 076)*	*(3)*	*8 878*
EBITDA margin incl. joint ventures	*11%*	*21%*			*14%*
Depreciation (subsidiaries) (Note 5)					2 921
Gain from change in ownership interest in joint ventures					1 933
Trademarks and goodwill impairment (Note 5)					(1 443)
Operating profit (subsidiaries)					5 463
Investments (subsidiaries) (Note 5)					3 127

Note 9. 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. Treasury shares owned by the Parent Company are not taken into account as shares outstanding.

EUR	Q4 2015	Q4 2014	12 months 2015	12 months 2014
Profit attributable to equity holders	459 686	1 136 305	2 707 166	5 110 132
Average number of ordinary shares	29 650 939	29 742 755	29 680 551	29 770 883
Basic and diluted earnings per share	**0.02**	**0.04**	**0.09**	**0.17**

As of 31.12.2015 and 31.12.2014, the Group had no instruments diluting earnings per share, **diluted net profit per share** was equal to regular net profit per share.

Note 10. Management Board's share option plan

In November 2013, the General Meeting of Shareholders approved a share option plan for the Management Board. Under the plan, in the first quarter 2017 the Chairman of the Management Board will be entitled to acquire up to 700 000 shares of AS Ekspress Grupp that the company will buy from the securities market at the market price. Of this amount, 300 000 free of charge shares have already been earned at the time when the option was issued. The remaining amount is to be earned during the contractual period between September 2013 and December 2016 in equal quantities for every month of employment. Part of the shares is fixed and part depends on the fulfilment of set goals that is assessed once a year after the end of the financial year. The company is neither under the obligation to buy back shares nor pay cash compensation for them.

Upon approving the share option, the option was recognised at its fair value and recognised as a staff cost in the income statement and, on the side, as a share option reserve in equity. As of 31.12.2015 this reserve totalled EUR 611 thousand and the number of earned shares was 540 400. As of 31.12.2014, this reserve totalled EUR 520 thousand and the number of earned shares was 460 000. See Note 11.

For finding the fair value of the share option upon the issuing of the option (i.e. when it was approved by the General Meeting of Shareholders), the *Black-Scholes-Merton* model was used. The assumptions used in the model were as follows: share price at the time of issuing the option: 1.16 euros, dividend rate: 0.01 euros per share, risk-free rate 2.96%, option term: slightly over 3 years.

Note 11. Equity and dividends

Share capital and share premium

As of 31 December 2015 and 31 December 2014, the share capital of AS Ekspress Grupp was EUR 17 878 105 and it consisted 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.

Treasury share

From 7 April 2014, AS SEB Pank has purchased back shares on behalf of the company within the framework of the share option programme. As of 31.12.2015, AS Ekspress Grupp had purchased ca 149 thousand treasury shares at the average price of EUR 1.18 for the total of EUR 178 thousand. As of 31.12.2014, AS Ekspress Grupp had purchased ca 62 thousand treasury shares at the average price of EUR 1.03 for the total of EUR 64 thousand.

Dividends

At the Ordinary General Meeting of Shareholders held on 27 May 2015, it was decided to pay dividends to shareholders in the amount of four euro cents per share in the total amount of EUR 1 187 thousand. Dividends were paid out on 2 October 2015. There will be no accompanying income tax liability because the Company will pay out dividends it has received from its joint ventures and subsidiaries that have already paid corporate income tax on dividends or the profit which has already been taxed in its domicile. Therefore, there will be no additional tax to be paid on distribution of dividends from the Parent Company.

Reserves

The reserves include statutory reserve capital required by the Commercial Code, a general-purpose equity contribution by a founding shareholder and a share option reserve issued to the management (see Note 10).

(EUR thousand)	EUR	
	31.12.2015	31.12.2014
Statutory reserve capital	537	281
Additional cash contribution from shareholder	639	639
Share option reserve	611	520
Total reserves	**1 787**	**1 440**

Note 12. Related party transactions

Transactions with related parties are transactions with shareholders, associates, joint ventures, members of the Key Management of all group companies, 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)	12 months 2015	12 months 2014
Sales of goods		
Associates	512	567
Total sale of goods	**512**	**567**
Sale of services		
Members of Supervisory Board and companies related to them	8	6
Joint ventures	2 069	1 565
Total sale of services	**2 077**	**1 571**
Total sales	**2 589**	**2 138**

PURCHASES (EUR thousand)	12 months 2015	12 months 2014
Purchase of services		
Members of Management Board and companies related to them	37	49
Members of Supervisory Board and companies related to them	232	242
Associates	1	2
Joint ventures	848	926
Total purchases of services	**1 118**	**1 219**

RECEIVABLES (EUR thousand)	31.12.2015	31.12.2014
Short-term receivables		
Members of Supervisory Board and companies related to them	6	5
Associates	245	241
Joint ventures	247	232
Total short-term receivables	**498**	**478**
Long-term receivables		
Members of Supervisory Board and companies related to them	160	160
Joint ventures	907	978
Total long-term receivables	**1 067**	**1 138**
Total receivables	**1 565**	**1 616**

LIABILITIES (EUR thousand)	31.12.2015	31.12.2014
Current liabilities		
Members of Management Board and companies related to them	3	4
Members of Supervisory Board and companies related to them	14	11
Joint ventures	87	85
Total liabilities	**104**	**100**

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 twelve months 2015, a payment of EUR 60 thousand (2014: EUR 60 thousand) was made and there are no outstanding liabilities as of 31 December 2015 and 31 December 2014.

The management estimates that the transactions with related parties have been carried out at arms' length condition. As of 31.12.2015, an allowance for the receivable from the associate Medipresa UAB was made in the amount of EUR 13 thousand (31.12.2014: EUR 49 thousand) in accordance with the ownership interest in the negative equity of Medipresa UAB.

Remuneration of members of the Management Boards of the consolidation group

(EUR thousand)	12 months 2015	12 months 2014
Salaries and other benefits (without social tax)	1 334	1 286
Termination benefits (without social tax)	52	38
Share option	95	136
Total (without social tax)	**1 481**	**1 460**

The members of all management boards of the group companies (incl. key management of foreign subsidiaries if these companies do not have management board as per Estonian Commercial Code) (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 usually 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 31.12.2015, the maximum gross amount of potential Key Management termination benefits was EUR 508 thousand (31.12.2014: EUR 428 thousand). No remuneration is paid separately or in addition to the members of the Supervisory Boards of the Group companies and no compensation is paid if they are recalled.

Chairman of the Management Board of the Group also participates in share option plan described in Note 10.

Note 13. Contingent assets and liabilities

Contingent income tax liability

As of 31.12.2015, the consolidated retained earnings of the Group amounted to EUR 14 908 thousand (31.12.2014: EUR 13 644 thousand). Income tax of 20/80 of net dividend paid is imposed on the profit distributed as dividends. When an entity pays dividends it has received from its joint ventures and subsidiaries that have already paid income tax on those dividends or the profit of which has already been taxed in the domicile of the entity, the payment of those dividends by the Parent Company is not subject to additional income tax. As of 31.12.2015, AS Ekspress Grupp (Parent Company) may pay out dividends tax-free in the amount of EUR 6 016 thousand (as of 31.12.2014: EUR 6 925 thousand). Upon the payment of all possible retained earnings as at 31.12.2015, there is a potential income tax liability in the amount of EUR 1 751 thousand and the amount to be paid out to shareholders would total EUR 13 021 thousand.

Contingent liabilities related to the Tax Board

Tax authorities have the right to review the Group's tax records for up to 3 years after submitting the tax declaration and upon finding errors, impose additional taxes, interest and fines. The tax authorities have not performed any tax audits in any of the group companies during 2013-2015. The management of the Group's Parent Company believes that there are not any circumstances which may lead the tax authorities to impose significant additional taxes on the group companies.

Contingent assets and liabilities arising from pending court cases

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

Contingent assets and liabilities arising from guarantees given

The Parent Company has given a guarantee in amount of EUR 1.6 million on 50% bank borrowings received by its joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht. The other 50% of the loan is guaranteed by other co-owner of these joint ventures.

Note 14. Events after the balance sheet date

OÜ Grupivara, minority shareholder of AS Ekspress Grupp, holding 100 shares in the company, has challenged in the court the results of the impairment tests of goodwills of Delfi Latvia and Delfi Estonia in the financial statements for the years 2013 and 2014. OÜ Grupivara claims that bigger impairment loss should have been recognized, thus the Annual Reports should have not been approved and decision to pay dividends should have not been made.

The management board of AS Ekspress Grupp and its auditors are in an opinion that financial statements for 2013 and 2014 present fairly, in all material respects, the financial position and the financial performance of the company in accordance with the International Financial Reporting Standards as adopted by the European Union.