AS EKSPRESS GRUPP

CONSOLIDATED INTERIM REPORT

FOR THE FIRST QUARTER 2007

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GENERAL INFORMATION

Beginning of the financial year	1 January 2007
Ending of the financial year	31 March 2007
Name of the Company	AS Ekspress Grupp
Registration number	10004677
Address	Narva mnt.11 E, 10151 Tallinn
Phone no.	+372 669 8181
Fax no	+372 669 8081
Main field of activity	Publishing and related services
CEO	Priit Leito
Auditor	AS PricewaterhouseCo

MANAGEMENT REPORT

AS Ekspress Grupp's consolidated net sales in the first quarter of 2007 were 250 million kroons (16 million EUR), up 18% compared to 2006. Company earned operating profit of 22.4 million kroons (1.4 million EUR) which is 18% more than year ago. On comparative basis (one-time costs and periodisation differences not included) operating profit exceeded 2006 results by 36%. Ekspress Grupp's net profit in the first quarter was 18.2 million kroons(1,2 million EUR), up 6% compared to 2006. On comparative basis net profit was 41% higher than in 2006.

The significant one-time costs not present last year include the costs of launching a new weekly Naised (impact on the Group's result –1.3 million kroons), and the expenses related to the stock exchange listing of the Company (-0.4 million kroons). Due to the decrease in ownership share of Linnaleht (from 50% last year to 25%), the business is not consolidated any more. In the first quarter last year the net effect on the consolidated operating profit of the Group was +0.3 million kroons. Periodisation shifts in the IQ 2007 (compared to IQ 2006) include the dividend income tax of Ajakirjade Kirjastus (-2.6 million kroons) – which last year was accounted for in April.

Also, most of the book campaign costs of Eesti Päevaleht (-1.5 million kroons) are reflected in the IQ this year, whereas last year the costs were spread over several months. The total effect of one-time revenues and costs and periodisation shifts compared to IQ 2006 constituted –3.5 million kroons for operating profit and –6.1 million koonsr for net profit of the Group.

th EEK	**1Q 2007**	**1Q 2006**	**Growth**	
Printing services	90 821	78 938	11 883	15%
Periodicals	121 613	103 798	17 815	17%
Book sales	41 678	38 994	2 684	7%*
Information services	17 551	12 438	5 113	41%
Unallocated	441	298	143	48%
Eliminations	(22 512)	(23 233)	(723)	-3%
Consolidated revenue total	**249 592**	**211 233**	**36 915**	**18%**

1 EUR = 15.6466 EEK

* 2006 I Q book sales include intragroup transactions between AS Rahva Raamat and OÜ Raamatuvaramu in the amount of 4,5 m EEK. As in July 2006 the two subsidiaries were merged, the non-consolidated sales decreased significantly. Sales growth to external customers was 21% in the I Q 2007 compared to the same period of 2006.

Media market's most important trend in the first quarter was the growth of advertising revenues. According to the measurements of media analyst Toomas Leito the ad revenues of Estonia's national newspapaers grew by 39% in the first quarter and magazines had the growth of 20%. Also in Lithuania magazine advertising market growth was roughly 15% (Ekspress Grupp's estimates). Ekspress Grupp gained significantly from advertising market growth – group's advertising revenues from publishing (does not include information services ad revenues) were up 30% in the first quarter compared to last year. Also circulation sales were higher (11% compared to 2006), mostly because of bigger number of subscribers, higher subscription prices and new titles.

In the first quarter several new magazine titles were added to Ekspress Grupp's portfolio. In Lithuania Ekspress Grupp's daughter company Ekspress Leidyba bought celebrity magazine "Klubas". In Estonia Ajakirjade Kirjastus started new womens weekly "Naised", cooking magazine "Oma Maitse" and handcrafts magazine "Käsitöö".

In the printing segment the most important news was the signing of the purchase contract of a new magazine printing press in January. Though the increase of paper and print prices enabled Printall to increase its sales by 15% in the first quarter, there is currently no additional production capacity. The start of the new press at the beginning of 2008 will enable to increase the capacity by 30%.

In the book business Rahva Raamat signed renting contract that doubles the existing flagship bookstore in Viru Keskus by adding new space on the 4th floor.

The potential of the segment of information services is incremented by the establishment of a subsidiary in Bucharest. This, taking into account the population much larger than that of Estonia, could provide for a addition to the Group's cash flows and profits with modest investment amounts.

SELECTED FINANCIAL INDICATORS

th EEK	2007 1Q	2006 1Q
Accounting period		
Net sales	249 592	211 233
Gross profit	65 499	55 305
Operating profit	22 383	19 015
Group net profit	18 563	17 531
Net profit for the shareholders of the mother company	18 404	17 142
At the end of the period		
Total current assets	240 533	198 156
Tota fixed assets	518 101	421 198
Total assets	*758 634*	*619 354*
Total liabilities	477 591	424 976
Total equity	281 043	194 378
Equity belonging to the shareholders of mother company		
Performance indicators (%)	2007 1Q	2006 1Q
Sales growth (%) (net sales 2007 – net sales 2006) / net sales 2006*100	18%	42%
Gross profit margin (%) gross profit/net sales*100	26%	26%
Net profit margin (%) net profit/net sales*100	7%	8%
Equity / assets* 100	37%	31%
ROA (%) net profit/assets *100	2%	3%
ROE (%) net profit/equity *100	7%	9%

CONSOLIDATED INTERIM FINANCIAL INFORMATION

Management Board's confirmation of the Consolidated Interim Report

The Management Board confirms the correctness and completeness of the consolidated interim report of AS Ekspress Group for the first quarter ending 31 March 2007 as presented on pages 5-15.

The Management Board confirms that:

1. the accounting policies and presentation of information is in compliance with International Financial Reporting Standards as adopted by the European Union;

2. the financial statements present a true and fair view of the financial position, the results of the operations and the cash flows of the Group;

3. all Group companies are going concerns.

Member of Management Board

Priit Leito

14 May 2007

Consolidated interim balance sheet

th EEK	31.03.2007	31.12.2006	31.03.2006	Notes
ASSETS				
Current assets				
Cash and cash equivalents	38 342	51 101	34 658	
Other financial assets at fair value through profit or loss	6 847	6 334	5 115	
Trade and other receivables	147 986	122 726	108 495	
Inventories	47 358	44 857	46 089	
Total current assets	**240 533**	**225 018**	**198 156**	
Non-current assets				
Trade and other receivables	9 329	9 708	10 070	10
Investments in associates	168	17	32	3
Investment property	4 026	4 123	2 410	
Property, plant and equipment	360 534	289 210	302 887	4
Intangible assets	144 044	138 281	105 799	4
Total non-current assets	**518 101**	**441 339**	**421 198**	
TOTAL ASSETS	**758 634**	**666 357**	**619 354**	
SHAREHOLDERS EQUITY AND LIABILITIES				
Liabilities				
Current liabilities				
Borrowings	106 148	95 060	65 737	5
Trade and other payables	188 223	187 098	162 541	
Total current liabilities	**294 371**	**282 158**	**228 278**	
Non-current liabilities				
Borrowings	182 928	118 846	196 330	5
Other long term liabilities	292	83	368	
Total non-current liabilities	**183 220**	**118 929**	**196 698**	
Total liabilities	**477 591**	**401 087**	**424 976**	
Equity				
Capital and reserves attributable to equity holders of the Group				
Share capital	165 232	165 232	2 216	
Share premium	0	0	21 285	
Reserves	2 766	5 501	10 222	7
Retained earnings	112 714	94 310	145 179	
Total capital and reserves attributable to equity holders of the Group	**280 712**	**265 043**	**178 902**	
Minority interest	331	227	15 476	
Total equity	**281 043**	**265 270**	**194 378**	
TOTAL EQUITY AND LIABILITIES	**758 634**	**666 357**	**619 354**	

The notes presented on pages 10 to 15 form an integral part of the condensed interim financial information

Consolidated interim income statement

th EEK	2007 1Q	2006 1Q
Sales	249 592	211 233
Costs of sales	184 093	155 928
Gross margin	**65 499**	**55 305**
Distribution costs	14 078	10 683
Administrative expenses	28 425	25 188
Other income	1 226	1 867
Other expenses	1 839	2 286
Operating profit	**22 383**	**19 015**
Interest income	737	1 071
Interest expenses	(2 600)	(2 616)
Currency exchange loss	(16)	(11)
Other financial income	294	73
Other financial expenses	(5)	(1)
Net finance costs	(1 590)	(1 484)
Share of profit (loss)of associates	334	0
Profit before income tax	**21 127**	**17 531**
Income tax expense	2 564	0
PROFIT FOR THE YEAR	**18 563**	**17 531**
Attributable to:		
Equity holders of the Group	18 404	17 142
Minority interest	159	389
Basic and diluted earings per share for profit attributale to the equity holders of the Company (EEK per share)	1,42	1,49

The notes presented on pages 10 to 15 form an integral part of the condensed interim financial information

Consolidated interim statement of changes in equity

th EEK	Attributable to equity holders of the Group					Minority interest	Total equity
	Share capital	Share premium	Reserves	Retained earnings	Total		
Balance at 31 December 2005	**2 216**	**21 285**	**10 222**	**135 537**	**169 260**	**15 087**	**184 347**
Profit for the period	0	0	0	17 142	17 142	389	17 531
	0	0	0	(7 500)	(7 500)	0	(7 500)
Balance at 31 Mart 2006	**2 216**	**21 285**	**10 222**	**145 179**	**178 902**	**15 476**	**194 378**
Balance at 31 December 2006	**165 232**	**0**	**5 501**	**94 310**	**265 043**	**227**	**265 270**
Transaction costs	0	0	(2 735)	0	(2 735)	0	(2 735)
Change of minority interest	0	0	0	0	0	(55)	(55)
Total changes	0	0	(2 735)	0	(2 735)	(55)	(2 790)
Profit for the period	0	0	0	18 404	18 404	159	18 563
Balance at 31 December 2006	**165 232**	**0**	**2 766**	**112 714**	**280 712**	**331**	**281 043**

The notes presented on pages 10 to 15 form an integral part of the condensed interim financial information

Consolidated interim cash flow statement

th EEK	2007 1Q	2006 1Q	Notes
Cash flows from operating activities			
Operating profit for the period	22 383	19 015	
Adjustments for:			
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	8 143	7 528	4
Profit (loss) on sale of property, plant and equipment	(41)	185	
Changes in working capital:			
Trade and other receivables *	(82 472)	9 214	
Inventories	(2 501)	1 583	
Trade and other payables *	64 531	(7 841)	
Cash generated from operations	**10 043**	**29 684**	
Income tax paid			
Interest paid	(2 600)	(2 616)	
Net cash generated from operating activities	**7 443**	**27 068**	
Cash flows from investing activities			
Investments in financial assets at fair value through profit or loss	(70)	(5)	
Proceeds from financial assets at fair value through profit or loss	13	0	
Interest received	992	399	
Purchase of property, plant and equipment	(23 518)	(19 583)	
Proceeds from sale of property, plant and equipment	148	130	
Loans granted	(5 545)	(957)	
Loan repayments received	1 110	49	
Net cash used in investing activities	**(26 870)**	**(19 967)**	
Cash flows from financing activities			
Finance lease payments made	(5 248)	(4 462)	
Change in overdraft used	19 011	(39 370)	
Proceeds from borrowings	52 347	77 431	
Repayments of borrowings	(59 426)	(34 584)	
Dividend paid	0	(7 500)	
Net cash generated from financing activities	**6 684**	**(8 485)**	
NET (DECREASE)/INCREASE IN CASH AND CASH EQ	**(12 743)**	**(1 384)**	
Cash and cash equivalents at the beginning of the period	51 101	36 053	
Exchange gains/(losses) on cash and cash equivalents	(16)	(11)	
Cash and cash equivalents at the end of the period	38 342	34 658	

* Significant changes in the working capital result from the recording of non-paid part of the fixed assets acquired by finance lease (61.6 m EEK)

The notes presented on pages 10 to 15 form an integral part of the condensed interim financial information

SELECTED NOTES TO THE CONSOLIDATED INTERIM REPORT

Note 1. General information

The main fields of activities of Ekspress Grupp and its subsidiaries include publishing newspapers and magazines, book sales, printing services and information services in phone directories, information hotlines and online.

AS Ekspress Grupp (registration number 10004677, address: Narva mnt.11E, 10151 Tallinn) is a holding Group registered in Estonia. There are 12 subsidiaries, 5 joint ventures and 3 associated companies, belonging to the consolidation group as at 31.03.2007.

These condensed consolidated interim financial information was approved for issue by the Management Board on 14 May 2007.

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

These consolidated interim report of AS Ekspress Grupp for the first quarter 31.03.2007 reflect the results of the following group companies:

Name	Status	Share-holding 31.03.2007	Share-holding 31.12.2006	Main field of activities	Location
AS Ekspress Grupp	Parent Company			Holding Company	Estonia
Eesti Ekspressi Kirjastuse AS	Subsidiary	100%	100%	Newspaper publishing	Estonia
AS Printall	Subsidiary	100%	100%	Printing services	Estonia
UAB Ekspress Leidyba	Subsidiary	99,73%	99,70%	Magazine publishing	Lithuania
Rahva Raamat AS	Subsidiary	100%	100%	Books retail sale	Estonia
OÜ Netikuulutused	Subsidiary	75%	75%	Online classified ads	Estonia
AS Ekspress Hotline	Subsidiary	100%	100%	Information services	Estonia
Ekspresskataloogide AS	Subsidiary	100%	100%	Phone directories	Estonia
AS Infoatlas	Subsidiary	100%	100%	Phone directories	Estonia
AS Numbriinfo	Subsidiary	100%	100%	Information hotline	Estonia
Kõnekeskuse AS	Subsidiary	100%	100%	Call centre services	Estonia
OÜ Ekspress Internet	Subsidiary	80%	80%	Online classified ads	Estonia
OÜ Zinzin	Subsidiary	100%	0%	Business consulting	Estonia
Eesti Päevalehe AS	Joint venture	50%	50%	Newspaper publishing	Estonia
AS SL Õhtuleht	Joint venture	50%	50%	Newspaper publishing	Estonia
AS Express Post	Joint venture	50%	50%	Periodicals' home delivery	Estonia
AS Ajakirjade Kirjastus	Joint venture	50%	50%	Newspaper publishing	Estonia
AS Linnaleht	Associate	25%	25%	Magazine publishing	Estonia
UAB Medipresa	Associate	40%	40%	Periodicals' wholesale distribution	Lithuania
EVI Consult OÜ	Associate	0%	32%	Business consulting	Estonia
Dormant companies					
OÜ Õhtuleht	Subsidiary	0%	97%	Newspaper publishing	Estonia

Note 2 Basis of preparation

This condensed consolidated interim financial information for the half-year ended 31 March 2007 has been prepared in accordance with IAS 34, "Interim financial reporting". The interim condensed financial report should be read in conjunction with the annual financial statements of the year ended 31 December 2006.

Note 3 Subsidiaries and associated companies

In January 2007 AS Ekspress Grupp bought 100% of the share capital of OÜ Zin Zin for 54 th. EEK, no material goodwill arose.

In January 2007 Group purchased 94 shares of Ekspress Leidyba for 300 LTL (1260 EEK). After the purchase Group owns 99.7% from the share capital of Ekspress Leidyba.

In February 2007 AS Ekspress Grupp sold associated company EVI Consult OÜ for 13 th EEK and subsidiary OÜ Õhtuleht for 100 th EEK.

Note 4 Capital expenditure

th EEK	01.January - 31.Mart			
	Tangible assets		Intangible assets	
	2 007	2 006	2 007	2 006
At beginning of period				
Acquisitions cost	407 851	395 026	156 822	120 528
Accumulated depreciation	(118 640)	(98 118)	(18 541)	(14 394)
Depreciated cost	**289 211**	**296 908**	**138 281**	**106 134**
Period changes				
Acquisition and improvements	78 031	18 785	7 038	798
Acquisition cost of sold fixed assets	(533)	(169)	0	0
Write-offs (at acquistion cost)	0	(242)	0	0
Reclassification	363	(5 737)	(2)	(6)
Disposals through business combination	0	(432)	0	(32)
Depreciation	(6 538)	(6 226)	(1 273)	(1 095)
depreciation of reporting period	(6 964)	(6 418)	(1 179)	(1 110)
depreciation of sold fixed assets	426	79	0	0
depreciation added through mergers	0	111	(94)	0
depreciation of written-off fixed assets	0	2	0	15
Change total	**71 323**	**5 979**	**5 763**	**(335)**
At end of period				
Acquisition cost	485 712	407 231	163 858	121 320
Accumulated depreciation	(125 178)	(104 344)	(19 814)	(15 489)
Depreciated cost	**360 534**	**302 887**	**144 044**	**105 831**

Note 5. Bank loans and borrowings

Amount total	Amount total	up to 1 year	1 to 5 year	over 5 year	Interest rate
Balance at 31.12.2006					
Bank overdraft	**66 208**	66 208	0	0	4,50%
Long-term bank loans	**52 839**	7 460	45 379	0	3,90%
Finance lease	**94 859**	21 392	72 515	952	3,90%
Total	**213 906**	**95 060**	**117 894**	**952**	
Balance at 31.03.2007					
Bank overdraft	**85 219**	85 219	0	0	4,50%
Long-term bank loans	**51 160**	4 960	46 200	0	3,90%
Finance lease	**152 697**	15 969	135 776	952	3,90%
Total	**289 076**	**106 148**	**181 976**	**952**	

In January 2007, AS Printall signed a purchase agreement with Man Roland Druckmaschinen AG to buy a new commercial web-press Rotoman in the amount of 74 300 th EEK. Related finance lease agreement was concluded in January 2007 with SEB Ühisliising.

Note 6. Segment reporting

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

a) printing services;

b) periodicals;

c) book sales;

d) information services;

e) other operations;

f) unallocated.

The secondary segment is the geographical segment by the location of facilities and other assets.

2006 1Q th EEK	Printing services	Periodicals	Book sales	Infor-mation services	Unallocated	Elimina-tions	Group total
Sales to external customers	**64 946**	**99 236**	**34 517**	**12 430**	**104**	**0**	**211 233**
Inter-segment sales	13 992	4 562	4 477	8	194	(23 233)	0
Total gross segment sales	78 938	103 798	38 994	12 438	298	(23 233)	211 233
Segment result	**11 816**	**8 133**	**923**	**(274)**	**(1 752)**	**169**	**19 015**
2007 1Q th EEK	Printing services	Periodicals	Book sales	Infor-mation services	Unallocated	Elimina-tions	Group total
Sales to external customers	**76 915**	**113 382**	**41 658**	**17 531**	**106**	**0**	**249 592**
Inter-segment sales	13 906	8 231	20	20	335	(22 512)	0
Total gross segment sales	90 821	121 613	41 678	17 551	441	(22 512)	249 592
Segment result	**12 279**	**9 496**	**782**	**2 077**	**(2 264)**	**13**	**22 383**

<u>Geographical Segment by the Location of facilities and other assets– Secondary Segment</u>

The company is active in Estonia and Lithuania. As the markets do not generate significantly different risks and returns and they exhibit similar long-term financial performance, these two segments are combined. The share of group's revenues in Lithuania is less than 5%. There are no material inter-segment transactions or unallocated assets.

Note 7. Reserves

th EEK	31.03.2007	31.12.2006
Statutory legal reserves	222	222
Other reserves	2 544	5 279
Additional payments in cash from share holders	10 000	10 000
Transaction costs reserve	(7 456)	(4 721)

Note 8. Earnings per share

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

In view of the fact that the Group has not dilutive instruments at the periods 31.03.2007 and 31.03.2006 **diluted earnings per share** equal basic earnings per share.

EEK	2007 1Q	2006 1Q
Profit attributable to equity holders of the Company	18 403 501	17 141 652
The average number of ordinary shares	12 981 533	11 523 200
Basic and diluted earnings per share	1,42	1,49

Note 9 Post-balance-sheet events

The combined offer of Ekspress Group shares on the OMX Tallinn Stock Exchange comprised 5 321 481 new and existing shares, of which 2 873 600 were sold by current shareholder OÜ HHL Rühm and 2 447 881 by the group as new shares. These shares formed 32.26% of total share capital.. Ekspress Grupp Ltd. first day of trading on the OMX Tallinn Stock Exchange was 5 April 2007.

Ekspress Hotline, the subsidiray company of Ekspress Group Ltd., signed a foundation agreement in Bucharest on 11.04.2007 to start a new company TeleTell Infoline S.R.L. This new company will do business in information services, as does Ekspress Hotline Ltd in Estonia.

According to the contract, 80% of the holding belong to Ekspress Hotline Ltd and 20% belong to IPC Investments LLC.

Note 10. Related party transactions

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

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

The Group has purchased from (goods for sale, manufacturing materials, fixed assets) and sold its goods and services to (lease of capital assets, management services, other services) to the following related parties:

Sales

th EEK	2007 1Q	2006 1Q
Sale of goods		
members of executive boards and companies related to them	2	0
members of supervisory boards and companies related to them	98	14
associated companies	9 507	8 108
Sale total	**9 607**	**8 122**

Purchases

th EEK	2007 1Q	2006 1Q
Purchase of services		
members of executive boards and companies related to them	214	238
members of supervisory boards and companies related to them	1 293	1 893
associated companies	61	45
Purchase total	**1 568**	**2 176**

Receivables

th EEK	31.03.2007	31.03.2006
Short-term receivables (note 10)	**6 717**	**3 506**
members of supervisory boards and companies related to them	1 162	75
associated companies	5 555	3 431
Long-term receivables (note 13)	**9 324**	**17 169**
members of supervisory boards and companies related to them	9 324	10 047
associated companies	0	7 122
Receivable total	**16 041**	**20 675**

Liabilities

th EEK	31.03.2007	31.03.2006
Short-term payables (note 20)		
members of executive boards and companies related to them	91	91
members of supervisory boards and companies related to them	2 005	53 451
associated companies	69	0
Liabilities total	**2 165**	**53 542**

In 2006, AS Ekspress Grupp has received loan from OÜ Minigert, related company of the Group's shareholder, in the amount of 107 427 th EEK, interest rate 1.2% + 6 month EURIBOR; in 2006 the amount 102 027 th EEK has been repaid. Loan balance at 31 Dec 2006 is 5 400 th EEK. In 2007 the loan has been repaid.

Key management and supervisory board remuneration

th EEK	2007 1Q	2006 1Q
Salaries and other short-term empoloyee benefits (paid)	2 435 716	1 975 778
Total	**2 435 716**	**1 975 778**

The key management employment termination compensation benefits are obligations only in case of termination of contracts originated by Group. Potential key management employment termination compensation in 2007 is 2907 th EEK and 2006 was 2685 th EEK. The management termination compensations are payable only in case the termination of contracts was originated by Group.