



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 16 million EUR, up 18% compared to 2006. Company earned operating profit of 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 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 –83 thousand EUR), and the expenses related to the stock exchange listing of the Company (-26 thousand EUR). 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 +19 thousand EUR. Periodisation shifts in the IQ 2007 (compared to IQ 2006) include the dividend income tax of Ajakirjade Kirjastus (-166 thousand EUR) – which last year was accounted for in April.

Also, most of the book campaign costs of Eesti Päevaleht (-96 thousand EUR) 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 –223 thousand EUR for operating profit and –390 thousand EUR for net profit of the Group.

th EUR	1Q 2007	1Q 2006	Growth	
Printing services	5 805	5 045	759	15%
Periodicals	7 772	6 634	1 139	17%
Book sales	2 664	2 492	172	7%*
Information services	1 122	795	327	41%
Unallocated	28	19	9	48%
Eliminations	(1 439)	(1 485)	(46)	-3%
Consolidated revenue total	15 952	13 500	2 359	18%

* 2006 I Q book sales include intragroup transactions between AS Rahva Raamat and OÜ Raamatuvaramu in the amount of 288 thousand EUR. 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 newspapers 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 EUR	2007 1Q	2006 1Q
Accounting period		
Net sales	15 952	13 500
Gross profit	4 186	3 534
Operating profit	1 430	1 216
Group net profit	1 186	1 121
Net profit for the shareholders of the mother company	1 176	1 096
At the end of the period		
Total current assets	15 374	12 664
Total fixed assets	33 112	26 920
<i>Total assets</i>	<i>48 486</i>	<i>39 584</i>
Total liabilities	30 524	27 161
Total equity	17 962	12 423
Equity belonging to the shareholders of mother company		
Performance indicators (%)	2007 1Q	2006 1Q
Sales growth (%) $(\text{net sales } 2007 - \text{net sales } 2006) / \text{net sales } 2006 * 100$	18%	42%
Gross profit margin (%) $\text{gross profit} / \text{net sales} * 100$	26%	26%
Net profit margin (%) $\text{net profit} / \text{net sales} * 100$	7%	8%
Equity / assets * 100	37%	31%
ROA (%) $\text{net profit} / \text{assets} * 100$	2%	3%
ROE (%) $\text{net profit} / \text{equity} * 100$	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 EUR	31.03.2007	31.12.2006	31.03.2006	Notes
ASSETS				
Current assets				
Cash and cash equivalents	2 451	3 266	2 215	
Other financial assets at fair value through profit or loss	438	405	327	
Trade and other receivables	9 458	7 844	6 933	
Inventories	3 027	2 867	2 946	
Total current assets	15 374	14 382	12 664	
Non-current assets				
Trade and other receivables	596	620	644	10
Investments in associates	11	1	2	3
Investment property	257	264	154	
Property, plant and equipment	23 042	18 484	19 358	4
Intangible assets	9 206	8 838	6 762	4
Total non-current assets	33 112	28 207	26 920	
TOTAL ASSETS	48 486	42 589	39 584	
SHAREHOLDERS EQUITY AND LIABILITIES				
Liabilities				
Current liabilities				
Borrowings	6 784	6 075	4 201	5
Trade and other payables	12 030	11 958	10 388	
Total current liabilities	18 814	18 033	14 589	
Non-current liabilities				
Borrowings	11 691	7 596	12 548	5
Other long term liabilities	19	5	24	
Total non-current liabilities	11 710	7 601	12 572	
Total liabilities	30 524	25 634	27 161	
Equity				
Capital and reserves attributable to equity holders of the Group				
Share capital	10 560	10 560	142	
Share premium	0	0	1 360	
Reserves	177	352	653	7
Retained earnings	7 204	6 028	9 279	
Total capital and reserves attributable to equity holders of the Group	17 941	16 940	11 434	
Minority interest	21	15	989	
Total equity	17 962	16 955	12 423	
TOTAL EQUITY AND LIABILITIES	48 486	42 589	39 584	

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

Consolidated interim income statement

th EUR	2007 1Q	2006 1Q
Sales	15 952	13 500
Costs of sales	11 766	9 966
Gross margin	4 186	3 534
Distribution costs	900	683
Administrative expenses	1 817	1 610
Other income	79	121
Other expenses	118	146
Operating profit	1 430	1 216
Interest income	47	68
Interest expenses	(166)	(167)
Currency exchange loss	(1)	(1)
Other financial income	19	5
Other financial expenses	0	0
Net finance costs	(101)	(95)
Share of profit (loss) of associates	21	0
Profit before income tax	1 350	1 121
Income tax expense	164	0
PROFIT FOR THE YEAR	1 186	1 121
Attributable to:		
Equity holders of the Group	1 176	1 096
Minority interest	10	25
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (EUR per share)	0,09	0,10

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 EUR	Attributable to equity holders of the Group					Minority interest	Total equity
	Share capital	Share premium	Reserves	Retained earnings	Total		
Balance at 31 December 2005	142	1 360	653	8 662	10 817	964	11 781
Profit for the period	0	0	0	1 096	1 096	25	1 121
	0	0	0	(479)	(479)	0	(479)
Balance at 31 Mart 2006	142	1 360	653	9 279	11 434	989	12 423
Balance at 31 December 2006	10 560	0	352	6 028	16 940	15	16 955
Transaction costs	0	0	(175)	0	(175)	0	(175)
Change of minority interest	0	0	0	0	0	(3)	(3)
Total changes	0	0	(175)	0	(175)	(3)	(178)
Profit for the period	0	0	0	1 176	1 176	10	1 186
Balance at 31 December 2006	10 560	0	177	7 204	17 941	21	17 962

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

Consolidated interim cash flow statement

th EUR	2007 1Q	2006 1Q	Notes
Cash flows from operating activities			
Operating profit for the period	1 430	1 216	
Adjustments for:			
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	520	481	4
Profit (loss) on sale of property, plant and equipment	(3)	11	
Changes in working capital:			
Trade and other receivables *	(5 271)	590	
Inventories	(160)	101	
Trade and other payables *	4 123	(503)	
Cash generated from operations	639	1 896	
Income tax paid			
Interest paid	(166)	(167)	
Net cash generated from operating activities	473	1 729	
Cash flows from investing activities			
Investments in financial assets at fair value through profit or loss	(4)	0	
Proceeds from financial assets at fair value through profit or loss	1	0	
Interest received	63	25	
Purchase of property, plant and equipment	(1 502)	(1 252)	
Proceeds from sale of property, plant and equipment	10	9	
Loans granted	(354)	(61)	
Loan repayments received	71	3	
Net cash used in investing activities	(1 715)	(1 276)	
Cash flows from financing activities			
Finance lease payments made	(335)	(285)	
Change in overdraft used	1 215	(2 516)	
Proceeds from borrowings	3 346	4 949	
Repayments of borrowings	(3 798)	(2 210)	
Dividend paid	0	(479)	
Net cash generated from financing activities	428	(541)	
NET (DECREASE)/INCREASE IN CASH AND CASH EQ	(814)	(88)	
Cash and cash equivalents at the beginning of the period	3 266	2 304	
Exchange gains/(losses) on cash and cash equivalents	(1)	(1)	
Cash and cash equivalents at the end of the period	2 451	2 215	

* Significant changes in the working capital result from the recording of non-paid part of the fixed assets acquired by finance lease (3.9 m EUR).

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 functional currency of AS Ekspress Group is Estonian kroon (EEK). The presentation currency is Euro (EUR). The financial statements are presented in thousand of Euros (EUR), unless indicated otherwise.

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 Numbrinfo	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 3.5 th EUR, no material goodwill arose.

In January 2007 Group purchased 94 shares of Ekspress Leidyba for 300 LTL (81 EUR). 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 818 EUR and subsidiary OÜ Õhtuleht for 6.4 th EUR.

Note 4 Capital expenditure

th EUR	01.January - 31.Mart			
	Tangible assets		Intangible assets	
	2 007	2 006	2 007	2 006
At beginning of period				
Acquisitions cost	26 067	25 247	10 023	7 701
Accumulated depreciation	(7 583)	(6 271)	(1 185)	(920)
Depreciated cost	18 484	18 976	8 838	6 781
Period changes				
Acquisition and improvements	4 987	1 201	449	51
Acquisition cost of sold fixed assets	(34)	(11)	0	0
Write-offs (at acquisition cost)	0	(15)	0	0
Reclassification	23	(367)	0	0
Disposals through business combination	0	(28)	0	(2)
Depreciation	(418)	(398)	(81)	(70)
depreciation of reporting period	(445)	(410)	(75)	(71)
depreciation of sold fixed assets	27	5	0	0
depreciation added through mergers	0	7	(6)	0
depreciation of written-off fixed assets	0	0	0	1
Change total	4 558	382	368	(21)
At end of period				
Acquisition cost	31 043	26 027	10 472	7 752
Accumulated depreciation	(8 001)	(6 669)	(1 266)	(990)
Depreciated cost	23 042	19 358	9 206	6 762

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	4 231	4 231	0	0	4,50%
Long-term bank loans	3 377	477	2 900	0	3,90%
Finance lease	6 063	1 367	4 635	61	3,90%
Total	13 671	6 075	7 535	61	
Balance at 31.03.2007					
Bank overdraft	5 446	5 446	0	0	4,50%
Long-term bank loans	3 270	317	2 953	0	3,90%
Finance lease	9 759	1 021	8 677	61	3,90%
Total	18 475	6 784	11 630	61	

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 4 748 th EUR. 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 EUR	Printing services	Periodicals	Book sales	Infor-mation services	Unallocated	Elimina- tions	Group total
Sales to external customers	4 151	6 342	2 206	794	7	0	13 500
Inter-segment sales	894	292	286	1	12	(1 485)	0
Total gross segment sales	5 045	6 634	2 492	795	19	(1 485)	13 500
Segment result	755	519	58	(18)	(112)	14	1 216
2007 1Q th EUR	Printing services	Periodicals	Book sales	Infor-mation services	Unallocated	Elimina- tions	Group total
Sales to external customers	4 916	7 246	2 662	1 120	8	0	15 952
Inter-segment sales	889	526	2	2	20	(1 439)	0
Total gross segment sales	5 805	7 772	2 664	1 122	28	(1 439)	15 952
Segment result	785	606	50	133	(145)	1	1 430

Geographical Segment by the Location of facilities and other assets– Secondary Segment

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 EUR	31.03.2007	31.12.2006
Statutory legal reserves	14	14
Other reserves	163	338
Additional payments in cash from share holders	639	639
Transaction costs reserve	(476)	(301)

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.

EUR	2007 1Q	2006 1Q
Profit attributable to equity holders of the Company	1 176 198	1 095 551
The average number of ordinary shares	12 981 533	11 523 200
Basic and diluted earnings per share	0,09	0,10

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 subsidaray 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 EUR	2007 1Q	2006 1Q
Sale of goods		
members of executive boards and companies related to them	0	0
members of supervisory boards and companies related to them	6	1
associated companies	608	518
Sale total	614	519

Purchases

th EUR	2007 1Q	2006 1Q
Purchase of services		
members of executive boards and companies related to them	14	15
members of supervisory boards and companies related to them	83	121
associated companies	4	3
Purchase total	101	139

Receivables

th EUR	31.03.2007	31.03.2006
Short-term receivables (note 10)	429	224
members of supervisory boards and companies related to them	74	5
associated companies	355	219
Long-term receivables (note 13)	596	1 097
members of supervisory boards and companies related to them	596	642
associated companies	0	455
Receivable total	1 025	1 321

Liabilities

th EUR	31.03.2007	31.03.2006
Short-term payables (note 20)		
members of executive boards and companies related to them	6	6
members of supervisory boards and companies related to them	128	3 416
associated companies	4	0
Liabilities total	138	3 422

In 2006, AS Ekspress Grupp has received loan from OÜ Minigert, related company of the Group's shareholder, in the amount of 6 866 th EUR, interest rate 1.2% + 6 month EURIBOR; in 2006 the amount 6 521 th EUR has been repaid. Loan balance at 31 Dec 2006 is 345 th EUR. In 2007 the loan has been repaid.

Key management and supervisory board remuneration

th EUR	2007 1Q	2006 1Q
Salaries and other short-term employee benefits (paid)	155 671	126 275
Total	155 671	126 275

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 186 th EUR and 2006 was 172 th EUR. The management termination compensations are payable only in case the termination of contracts was originated by Group.