



AS EKSPRESS GRUPP  
CONSOLIDATED INTERIM REPORT  
FOR THE FIRST QUARTER OF  
2008

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## GENERAL INFORMATION

Beginning of the financial year	1 January 2008
Ending of the financial year	31 March 2008
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 PricewaterhouseCoopers

### Management Board's confirmation on the interim management report

The management board confirms that the management report of AS Ekspress Grupp presented on pages 5 to 12 presents a true and fair view of the business developments and results, of the financial position, and includes the description of major risks and doubts for the Parent company and consolidated companies as a group.

Priit Leito	Chairman of the Management Board		8 May 2008
Anne Kallas	Member of the Management Board		8 May 2008
Kaido Ulejev	Member of the Management Board		8 May 2008

## INTERIM MANAGEMENT REPORT

The sales revenue of Ekspress Group grew in the first quarter by 29% as compared to the same period of the last year. Such a growth is mainly attributable to the contribution of new companies that were added to Ekspress Group in 2007 as well as the growth of the sales revenue of the existing companies.

Key figures characterising the activities of Ekspress Group in the first quarter 2008

- Sales revenue EEK 321.3 million (EUR 20.5 million), year-over-year growth 29%
- Gross profit EEK 81.4 million (EUR 5.2 million), year-over-year growth 24%
- EBITDA EEK 40.1 million (EUR 2.6 million), year-over-year growth 31%
- EBIT EEK 25.2 million (EUR 1.6 million), year-over-year growth 13%
- Net profit EEK 10.9 million (EUR 0.7 million), year-over-year change -41%

Key events of the first quarter 2008

- Launch of automobile portal [www.EkspressAuto.ee](http://www.EkspressAuto.ee)
- Launch of real estate portal [www.EkspressKinnisvara.ee](http://www.EkspressKinnisvara.ee)
- Launch of entertainment portal [www.klubas.lt](http://www.klubas.lt) in Lithuania
- Putting into operation of new magazine glueing line in AS Printall

Overview of the advertising market

According to the survey of the Estonian advertising market conducted by TNS Emor, the advertising revenue of the first quarter was EEK 407 million which constituted a minimal decline of 1.2% as compared to the same figure in the first quarter of 2007, but it must be borne in mind that the first quarter of the last year was impacted by the advertising costs for elections. Due to the increase of advertising prices at the beginning of 2008, no significant general decline of the advertising revenue was observed in the first quarter.

A decrease of 7% and 8% was demonstrated by newspapers and television advertising, respectively, which is also natural, since these two types of media received the largest proportion of the media advertising money related to the elections in the same period of the last year. As compared to the first quarter of 2007, which includes elections advertising, the Internet advertising has increased the most, i.e. by 35%.

Of the advertising revenue, the newspaper advertising continues to have the largest share of 40%, but together with the TV advertising they both have lost positions to the Internet advertising, whose share has increased from 7% in the first quarter of 2007 to 10% in the first quarter of 2008.

Of the types of advertising, the automobile advertising, travel advertising and luxury goods advertising were prevailing in the first quarter of 2008.

Contrary to some cooling-off in the Estonian advertising market, the Lithuanian advertising market shows the signs of a rise. According to the survey of the Lithuanian advertising market conducted by TNS Emor Lithuania, the Internet advertising revenue increased in Lithuania 89% and magazines advertising revenue 25% in the first quarter as compared to the same period of 2007. Such behaviour in the Lithuanian advertising market may be explained by the fact that the largest economic decline in Lithuania is expected to occur in 2009 according to the economic forecast by Hansabank. In Estonia, economy will reach its lowest point in autumn 2008 as forecast by Hansabank.

Overview by segments

In the first quarter 2008, the activities of Ekspress Group continued to focus on the five main segments: online media, publishing, printing services, book sales and information services. Since 2008, the online media segment includes also the web publications of AS Eesti Päevaleht, SLÕhtuleht AS and Eesti Ekspress Kirjastus AS, and automobile, real estate and employment web environments of Eesti Ekspress Kirjastus AS, which were earlier included under the publishing segment.

The largest growth of sales revenue in absolute terms in the first quarter 2008 as compared to the same period of 2007 was attained in the online media segment related to the addition of Delfi Group to Ekspress Group in September 2007. A significant contribution to the growth of the sales revenue in the first quarter was made by the publishing of newspapers and magazines, partially also by the addition of AS Maaleht to the Group in October 2007, and by the segment of printing services where the growth of sales revenue was achieved through the growth of production capacities upon launching of a new printing press in October 2007.

A Russian-language news portal (<http://ru.delfi.lt>), opened in Lithuania in November 2007, was characterised in the first quarter 2008 by 52 000 unique visits per month. As of the balance sheet date, AS Delfi manages together with its Latvian and Lithuanian subsidiaries Estonian and Russian-language portals in Estonia <http://www.delfi.ee> and [rus.delfi.ee](http://rus.delfi.ee), Latvian and Russian-language portals in Latvia <http://www.delfi.lv> and [rus.delfi.lv](http://rus.delfi.lv), Lithuanian and Russian language portals in Lithuania (<http://www.delfi.lt>, <http://ru.delfi.lt>), and a news portal in the Ukraine <http://www.delfi.ua>.

In the first quarter 2008, new automobile and real state combined environments in collaboration with Delfi Eesti and Eesti Ekspress were launched. At the end of January, an automobile portal [www.EkspressAuto.ee](http://www.EkspressAuto.ee) was launched which quickly became the second most frequently visited automobile portal. In the first quarter, the new automobile portal was visited on average by 33 000 unique visitors per week. In the middle of February, a real estate portal [www.EkspressKinnisvara.ee](http://www.EkspressKinnisvara.ee) was launched which was visited in the first quarter on average by 23 000 unique visitors per week. In the first quarter, an entertainment portal [www.klubas.lt](http://www.klubas.lt) was launched in Lithuania, which is expected to attract the active interest of clients, which has already been supported by the celebrity magazine with the same name "Klubas". A new job announcement portal [www.EkspressJob.ee](http://www.EkspressJob.ee) is planned to be launched in April.

The annual growth in the sales revenue of Delfi Group in the first quarter 2008 was 30%. EBITDA in the first quarter 2008 remained at the level of the same period in 2007 due to the expenses for the launch of Delfi Ukraine. The EBITDA margin was 32%, which due to the seasonal nature of the Internet advertising is always below the yearly average in the first quarter.

The advertising revenues of the publishing segment included the signs of a slow-down in the growth of advertising turnover observed in the fourth quarter of the last year. Given the seasonal nature of the advertising business, due to the growth of advertising revenue from the addition of Maaleht as well as new publications the impact of the decline period of the first quarter is more pronounced on the segment's economic indicators. The growth of the advertising expenses has been a minimal 1.9% as compared to the first quarter 2007. The growth in the subscription and sale of periodicals was significant – 27% and 22%, respectively as compared to the same period in 2007, based on the addition of Maaleht as well as other publications in the second half of 2007. The slow-down of the advertising revenue has an important impact on the profit of the publishing segment, because the gross margin of advertising revenue is significantly higher than that of subscriptions. EBITDA margin rose from 11% in the first quarter of 2007 to 13% in the same period of 2008. Excluding an extraordinary profit from the sale of OÜ Netikuulutus in the first quarter of 2008 in the amount of EEK 3.5 million (EUR 0.2 million), the EBITDA margin was 10.3%.

In the segment of printing services, the sales growth in the first quarter 2008 was a significant 12% as compared to the same period in 2007. The export turnover demonstrated the largest growth, a significant growth also concerns non-Group Estonian customers. The growth of EBITDA is 15%.

In the second half of 2007, the modernisation of the magazine production unit was commenced, the first stage of which comprised the launching of the magazine printing machine Rotoman with the production capacity 55 000 of 16 pages A4 printsheets per hour. In February 2008, a new glueing line Kolbus, unique in Estonia, was put into operation, enabling to simultaneously insert up to three advertising sheets and glue one product sample. The production capacity of the new glueing line is up to 8000 products per hour.

In the second quarter, it is planned to launch a new stitching line, and an assembling and packing line of magazines.

The modest sales growth 12% in book sales is a sign of some decline in retail trade. The EBITDA growth of 52% is remarkable as compared to the same period in 2007, which is attained owing to the better conditions for buying-in of books. Additional sales revenue is expected in the second half of 2008 as a result of the opening of new stores in Tartu, Tallinn and Pärnu.

The sales revenue of information services increased in the first quarter of 2008 by 23% as compared to the same period in 2007. EBITDA comprised 29% of the 2007 level. The decline of EBITDA is related to larger-than-forecast losses of the subsidiary of AS Ekspress Hotline located in Romania, which is caused by a small number of concluded sales contracts. The reason for the not-as-planned beginning of the business activities in Romania is the postponement of a service short-number competition due to the delay in adoption of a new electronic communication law.

### Profit

Given the seasonal nature of the advertising business, the addition of AS Maaleht and Delfi Group has led to significantly increased share of advertising revenue in the Group's sales revenue, therefore the impact of the seasonal nature on the Group's sales revenue and profit is larger than ever before. The impact of the downturn of the advertising business in the first quarter on the Group's sales revenue and profit manifested itself in a modest growth in advertising revenue and a decline of profit.

EBITDA in the first quarter of 2008 comprised EEK 40.1 million (EUR 2.6 million), exceeding by 31% the result of the same period in 2007. EBIT in the first quarter reached EEK 25.2 million (EUR 1.6 million), increasing by 13% as compared to the last year. The operating margin in the first quarter was 8% (first quarter 2007: 9%). The slowdown of EBIT results from the growth of depreciation related to the intangible assets acquired in the acquisition of Delfi and Maaleht.

The marketing expenses of the Group are increasing due to expansion of the Group and launching of new products. The annual growth is 23% as compared to the first quarter 2007. The administrative expenses have increased by 45% in the first quarter as compared to the same period last year. The growth is mainly caused by increased labour expenses, which comprise 49.7% of the level of the first quarter. Of this, 31.7% is attributable to the addition of new companies (AS Maaleht, Delfi Grupp, TeleTell) and 18% is attributable to the increased number of employees in the web publications of newspapers and magazines and raising of wages in 2007.

The financial expenses of the Group in the first quarter 2008 reached EEK 14.6 million (EUR 0.9 million). A major part of the financial expenses is made up of interest expenses in the amount of EEK 14.1 million (EUR 0.9 million) (first quarter 2007: EEK 2.6 million (EUR 0.2 million)). The growth of interest expenses is related to the loan in the amount of EEK 674.4 million (EUR 43.1 million) taken from the syndicate of SEB, Sampo Pank and Nordea Pank for the acquisition of Delfi and Maaleht by the Ekspress Group in the third quarter 2007.

Overall, Ekspress Group earned a net profit (after taxes and minority interest) in the amount of EEK 10.9 million (EUR 0.7 million) in the first quarter 2008. As compared to same period in 2007, the net profit decreased by 41%. Besides the events influencing EBIT, the slow-down in the growth of net profit is related to the increased interest expenses in connection with the syndicate loan in the amount of EEK 674.4 million (EUR 43.1 million) taken in August 2007.

Under the conditions of the slow-down of economic growth, with the forecast economic growth of 2% in 2008 according to the spring forecast by the Bank of Estonia, the effectiveness of business activities and saving of expenses are becoming increasingly more important. As a result thereof, the Group has prepared a cost saving plan. Of the measures related to cost saving in the publishing segment, a decrease of pages of a newspaper, partial replacement of colour printing with black and white printing, uniting of inserts with the principal part of a publication, etc. are worth mentioning. These measures manifest themselves in the saving of paper and printing expenses. Of the fixed expenses, the most important source of saving is the labour

expenses. Cost savings are achieved so that wages increases are postponed, new people are not hired to replace those who have left or they are recruited internally. Lay-offs of employees will be also carried out.

#### Balance sheet and investments

As of 31 March 2008, the consolidated balance sheet total of Ekspress Group was EEK 1722.9 million (EUR 110.1), increasing by 1.3 times in a year. The assets and liabilities included in the balance sheet have increased as a result of the expansion of the Group and the investments made to acquire non-current assets.

Current assets increased by 17% in a year, reaching EEK 281.9 million (EUR 18.0 million) as of 31 March 2008. Of the current assets, the Group's inventories increased the most, both in percentage and in absolute numbers, reaching EEK 69.1 million (EUR 4.4 million) at the end of March, the growth in a year being 46%. The increase of inventories is related to the addition of Maaleht in October 2007 and the expansion of production of Printall. Current liabilities increased by 46% in a year, reaching EEK 429.0 million (EUR 27.4 million) at the end of March. Of the current liabilities, trade payables and prepayments increased the most, reaching EEK 253.4 million (EUR 16.2 million) at the end of March. The increase of trade payables and prepayments was related to the loan taken from a related party, the prepayments of customers also increased significantly.

As of end of March, the long-term borrowings of the Group totalled EEK 712.4 million (EUR 45.5 million), growing 2.9 times in a year. Of the long-term borrowings, bank loans total EEK 585.2 million (EUR 37.4 million) and finance lease payables total EEK 127.2 million (EUR 8.1 million).

As of the end of March, property, plant and equipment stood at EEK 401.3 million (EUR 257 million), increasing by 40% in a year. A major part of the growth of property, plant and equipment is made up of the cost of the new printing press acquired by Printall in the amount of EEK 74.0 million (EUR 4.7 million). As of the end of March, intangible assets stood at EEK 1 021.6 million (EUR 65.3 million), increasing by 6.1 times in a year. Of the growth of intangible assets, EEK 836.0 million (EUR 53.4 million) is made up of the carrying value of trademarks, customer relations and software related to the purchase of Delfi Group as well as goodwill which arose in the acquisitions. The carrying value of the trade mark and the goodwill which arose in the acquisition of Maaleht amounts to EEK 39.5 million (EUR 2.5 million).

#### Employees

As of the end of March, the Ekspress Group employed 2 325 people (As of 31 March 2007: 1 964 people). The average number of employees in the first quarter of 2008 was 2 321 (Q I 2007: 1 940 ). In the first quarter of 2008, wages and salaries paid to the employees of the Ekspress Group totalled EEK 70.7 million (EUR 4.5 million), (Q I 2007: EEK 48.0 million (EUR 3.1 million))\*.

\*proportional part from joint ventures

#### Shares and shareholders of the Ekspress Group

The share capital of the public limited company is EEK 189 710 81 which consists of the shares with the nominal value of 10 kroons. All shares are of one type and there are no ownership restrictions.

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 between the shareholders, they are only known to the extent that is related to pledged securities and is public information.

The following persons have significant holdings in AS Ekspress Group as of 31 March 2008:

- Hans Luik who controls 12 683 220 shares which makes up 66.86% of the share capital of the public limited company
- Skandinaviska Enskilda Banken whose customers hold 1 320 522 shares which makes up 6.96% of the share capital of the public limited company.

The public limited company does not have any shares granting specific rights of control.



The public limited company does not possess information on agreements with regard to restrictions on the voting rights of shareholders.

Trading statistics in the Tallinn Stock Exchange from 01 January 2008 to 31 March 2008



#### Security trading history

PRICE	2008	
	EEK	EUR
Open	72,13	4,61
High	72,44	4,63
Low	46,16	2,95
Traded volume	380 553	380 553
Turnover, million	23,91	1,53
Capitalisation, million	905,34	57,86

#### Election and authority of the governing bodies of the Ekspress Group

The election of the members of the Management Board is in the competence of the Supervisory Board of the public limited company. Simple majority voting at the Supervisory Board is required in order to elect and recall the members of the Management Board. Upon resignation, a member of the Management Board shall notify the Supervisory Board of the public limited company one month in advance.

The authority of the Management Board of the public limited company is specified in the Commercial Code and it is limited to the extent provided for in the articles of association. The Management Board of the public limited company has no right to issue shares.

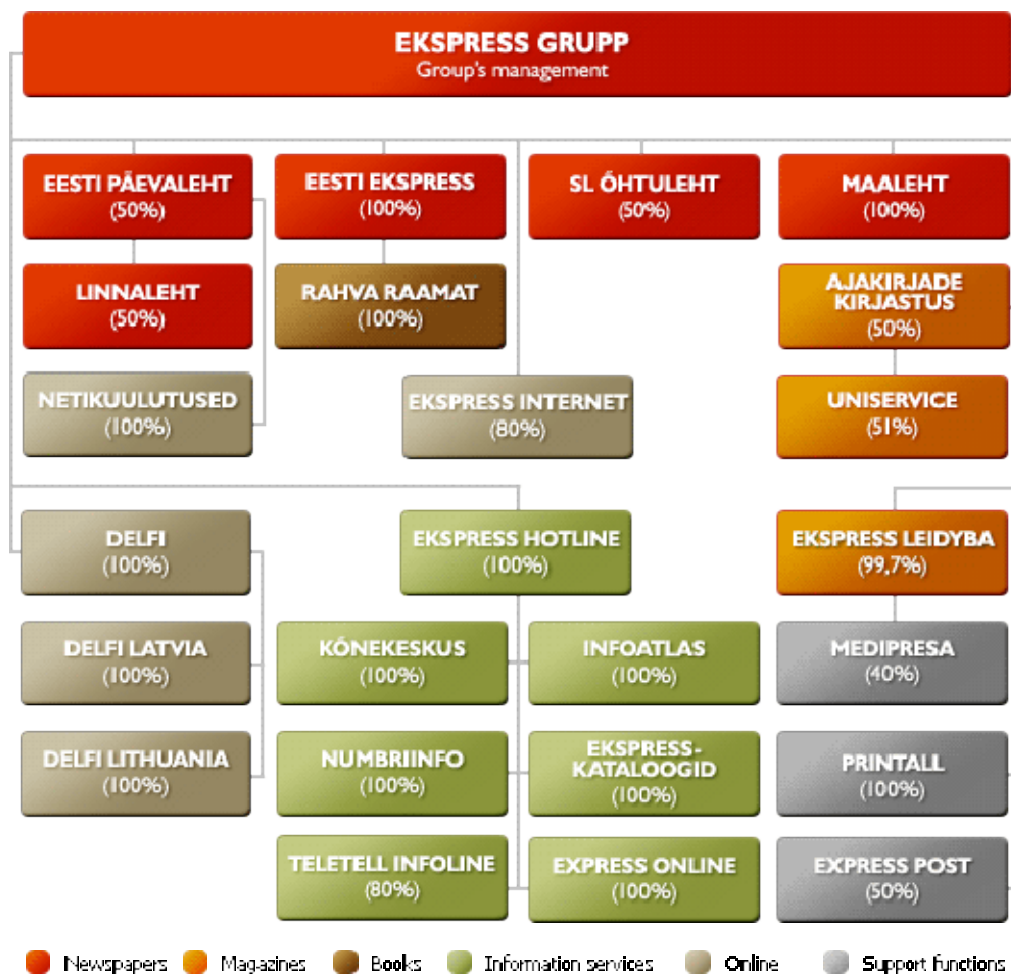
Amendment of the articles of association is the exclusive competence of the shareholders, requiring 2/3 of votes present at the general meeting.

There are no agreements between the public limited company and the members of the Management Board referring to compensation related to a takeover of the public limited company as set out in Chapter 19 of the Securities Market Act.

Pursuant to Chapter 19 of the Securities Market Act, in case of a takeover of the public limited company, the current co-shareholder in the entities AS SL Öhtuleht, AS Ajakirjade Kirjastus and AS Express Post has the right to acquire the holding of the public limited company in the aforementioned entities at a fair price.

### Ekspress Group Structure

A share purchase agreement regarding the shares of OÜ Netikuulutused has been concluded on 31 March 2008 between Eesti Päevaleht AS and Eesti Ekspress Kirjastus AS belonging to Ekspress Group. According to the agreement Eesti Ekspress Kirjastus AS sold 50 % of the shares of OÜ Netikuulutused to Eesti Päevaleht AS. As a result of the transaction, Eesti Päevaleht AS is the sole shareholder of OÜ Netikuulutused.



## Selected financial indicators

(thousand)	EEK		EUR	
	Q I 2008	Q I 2007	Q I 2008	Q I 2007
Accounting period				
Sales	321 338	249 592	20 537	15 952
Gross profit	81 390	65 499	5 202	4 186
Operating profit	25 206	22 383	1 611	1 431
Net profit for the period	10 864	18 563	694	1 186
At the end of the period	<u>31.03.2008</u>	<u>31.03.2007</u>	<u>31.03.2008</u>	<u>31.03.2007</u>
Total current assets	281 926	240 534	18 018	15 373
Total non-current assets	1 440 972	518 100	92 095	33 113
<i>Total assets</i>	<i>1 722 898</i>	<i>758 634</i>	<i>110 113</i>	<i>48 486</i>
Total liabilities	1 141 726	477 591	72 970	30 524
Total equity	581 172	281 043	37 144	17 962

Performance indicators (%)		Q I 2008	Q I 2007
Sales growth (%)	$(\text{sales 1 kv 2008} - \text{sales 1 kv 2007}) / \text{sales 1 kv 2007} * 100$	29%	18%
Gross profit margin (%)	$\text{gross profit} / \text{sales} * 100$	25%	26%
Net profit margin (%)	$\text{net profit} / \text{sales} * 100$	3%	7%
Equity ratio (%)	$\text{equity} / (\text{equity} + \text{debt}) * 100$	34%	37%
ROA (%)	$\text{net profit} / \text{assets} * 100$	1%	3%
ROE (%)	$\text{net profit} / \text{equity} * 100$	2%	7%
Operating profit margin (%)	$\text{operating profit} / \text{sales} * 100$	8%	9%
Liquidity ratio	$\text{current assets} / \text{current liabilities}$	0,66	0,82
Debt equity ratio (%)	$\text{interest bearing liabilities} / \text{equity} * 100$	161%	108%
Financial leverage (%)	$\text{interest bearing liabilities-cash and cash equivalents} / \text{interest bearing liabilities} + \text{equity} * 100$	59%	44%
Earnings per share (EEK)	$\text{net profit} / \text{average number of shares}$	0,57	1,11
		EUR	0,07

## Revenue by Group Companies\*

(thousand)	EEK		EUR		Change%
	Q I 2008	Q I 2007	Q I 2008	Q I 2007	
Eesti Ekspressi Kirjastuse AS	34 230	34 622	2 188	2 213	-1%
AS Delfi	34 916	26 940	2 232	1 722	30%
AS Printall	101 905	90 821	6 513	5 805	12%
AS Maaleht	14 477	15 756	925	1 007	-8%
UAB Ekspress Leidyba	18 544	13 775	1 185	880	35%
Rahva Raamat AS	46 881	41 678	2 996	2 664	12%
OÜ Netikuulutused	1 273	1 524	81	97	-16%
AS Ekspress Hotline	21 576	17 542	1 379	1 121	23%
Eesti Päevalehe AS**	42 164	34 706	2 695	2 218	21%
AS SL Õhtuleht**	38 370	39 432	2 452	2 520	-3%
AS Express Post**	20 278	17 538	1 296	1 121	16%
AS Ajakirjade Kirjastus**	50 432	50 754	3 223	3 244	-1%
AS Linnaleht	8 013	8 706	512	556	-8%
UAB Medipresa	38 887	30 400	2 485	1 943	28%

\*with intergroup transactions

\*\*joint ventures 100%

## EBITDA by Group Companies\*

(thousand)	EEK		EUR		Change%
	Q I 2008	Q I 2007	Q I 2008	Q I 2007	
Eesti Ekspressi Kirjastuse AS	4 336	6 969	277	445	-38%
AS Delfi	11 052	11 093	706	709	0%
AS Printall	20 047	17 407	1 281	1 113	15%
AS Maaleht	1 440	2 862	92	183	-50%
UAB Ekspress Leidyba	(108)	79	(7)	5	-
Rahva Raamat AS	1 921	1 260	123	81	52%
OÜ Netikuulutused	89	640	6	41	-86%
AS Ekspress Hotline	690	2 469	44	158	-72%
Eesti Päevalehe AS**	(34)	(2 184)	(2)	(140)	-
AS SL Õhtuleht**	6 360	9 434	406	603	-33%
AS Express Post**	1 354	1 568	87	100	-14%
AS Ajakirjade Kirjastus**	(2 228)	800	(142)	51	-
AS Linnaleht	(629)	567	(40)	36	-
UAB Medipresa	582	315	37	20	85%

\*with intergroup transactions

\*\*joint ventures 100%

## CONSOLIDATED INTERIM FINANCIAL INFORMATION

### Management Board's confirmation of the Consolidated Interim Report

The Management Board confirms the correctness and completeness of the condensed consolidated interim report of AS Ekspress Group for the first quarter of 2008 as presented on pages 13 - 26.

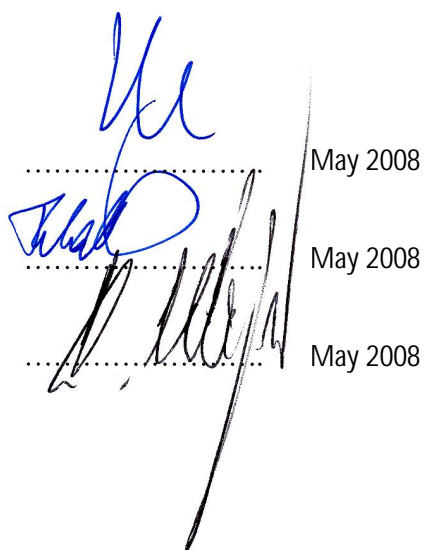
The Management Board confirms that:

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.

Priit Leito Chairman of the Management Board

Anne Kallas Member of the Management Board

Kaido Ulejev Member of the Management Board



May 2008  
May 2008  
May 2008

## Consolidated interim balance sheet (unaudited)

(thousand)	EEK			EUR		
	31.03.2008	31.12.2007	31.03.2007	31.03.2008	31.12.2007	31.12.2007
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	37 775	68 970	38 342	2 414	4 408	2 451
Other financial assets at fair value through profit or loss	5 682	4 606	6 847	363	294	438
Trade and other receivables	168 652	165 828	147 987	10 779	10 598	9 458
Inventories	69 147	66 161	47 358	4 419	4 228	3 027
Assets classified as held for sale	670	0	0	43	0	0
Total current assets	281 926	305 565	240 534	18 018	19 528	15 374
Non-current assets						
Trade and other receivables	13 624	13 671	9 706	872	874	620
Investments in associates	740	964	168	47	62	11
Investment property	3 635	3 732	4 026	232	239	257
Property, plant and equipment (note 4)	401 348	404 880	360 156	25 651	25 877	23 018
Intangible assets (note 4)	1 021 625	1 023 419	144 044	65 294	65 408	9 206
Total non-current assets	1 440 972	1 446 666	518 100	92 096	92 460	33 112
<b>TOTAL ASSETS</b>	<b>1 722 898</b>	<b>1 752 231</b>	<b>758 634</b>	<b>110 114</b>	<b>111 988</b>	<b>48 486</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>						
Liabilities						
Current liabilities						
Borrowings (note 5)	175 595	199 013	106 148	11 223	12 719	6 784
Trade and other payables	253 397	240 703	188 223	16 195	15 384	12 030
Total current liabilities	428 992	439 716	294 371	27 418	28 103	18 814
Non-current liabilities						
Borrowings (note 5)	712 426	741 585	182 928	45 532	47 396	11 691
Other long term liabilities	308	88	292	20	6	19
Total non-current liabilities	712 734	741 673	183 220	45 552	47 402	11 710
Total liabilities	1 141 726	1 181 389	477 591	72 970	75 505	30 524
Equity						
Capital and reserves attributable to equity holders of the Parent company						
Share capital	189 711	189 711	165 232	12 125	12 125	10 560
Share premium	183 495	183 495	0	11 727	11 727	0
Reserves	10 273	10 222	2 766	657	653	177
Retained earnings	196 820	185 981	112 714	12 579	11 886	7 204
Currency translation reserve	526	480	0	34	31	0
Total capital and reserves attributable to equity holders of the Parent company	580 825	569 889	280 712	37 122	36 422	17 941
Minority interest	347	953	331	22	61	21
Total equity	581 172	570 842	281 043	37 144	36 483	17 962
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 722 898</b>	<b>1 752 231</b>	<b>758 634</b>	<b>110 114</b>	<b>111 988</b>	<b>48 486</b>

The notes presented on pages 18 to 26 form an integral part of the consolidated interim financial information

## Consolidated interim income statement (unaudited)

(thousand)	EEK		EUR	
	Q I 2008	Q I 2007	Q I 2008	Q I 2007
Sales	321 338	249 592	20 537	15 952
Costs of sales	239 948	184 093	15 335	11 766
Gross margin	81 390	65 499	5 202	4 186
Marketing expenses	17 257	14 078	1 103	900
Administrative expenses	41 177	28 425	2 632	1 817
Other income	4 751	1 226	304	78
Other expenses	2 501	1 839	160	118
Operating profit	25 206	22 383	1 611	1 431
Interest income	277	737	18	47
Interest expenses	(14 090)	(2 600)	(901)	(166)
Currency exchange loss	(331)	(16)	(21)	(1)
Other financial income	175	294	11	19
Other financial expenses	(175)	(5)	(11)	0
Financial income/expenses total	(14 144)	(1 590)	(904)	(102)
Share of profit (loss) of associates	(198)	334	(13)	21
Profit before income tax	10 864	21 127	694	1 350
Income tax expense	0	2 564	0	164
<b>PROFIT FOR THE YEAR</b>	<b>10 864</b>	<b>18 563</b>	<b>694</b>	<b>1 186</b>
Attributable to:				
Equity holders of the Parent company	10 839	18 404	693	1 176
Minority interest	25	159	2	10
Basic and diluted earnings per share for profit attributable to the equity holders of the Company	0,57	1,11	0,04	0,07

The notes presented on pages 18 to 26 form an integral part of the consolidated interim financial information

## Consolidated interim statement of changes in equity (unaudited)

	Attributable to equity holders of the parent company						Minority interest	Total equity
	Share capital	Share premium	Reserves	Retained earnings	Currency translation reserve	Total		
th EEK								
Balance at 31.12.2006	165 232	0	5 501	94 310	0	265 043	227	265 270
Profit for the year	0	0	0	18 404	0	18 404	159	18 563
Net income (expense) recognized in equity	0	0	0	18 404	0	18 404	159	18 563
Transaction costs	0	0	(2 735)	0	0	(2 735)	0	(2 735)
Change of minority interest	0	0	0	0	0	0	(55)	(55)
Balance at 31.03.2007	165 232	0	2 766	112 714	0	280 712	331	281 043
Balance at 31.12.2007	189 711	183 495	10 222	185 981	480	569 889	953	570 842
Profit for the period	0	0	0	10 839	0	10 839	25	10 864
Currency translation difference	0	0	0	0	46	46	0	46
Reserve to the share option	0	0	51	0	0	51	0	51
Net income (expense) recognized in equity	0	0	51	10 839	46	10 936	25	10 961
Change of minority interest	0	0	0	0	0	0	(631)	(631)
Balance at 31.03.2008	189 711	183 495	10 273	196 820	526	580 825	347	581 172

	Attributable to equity holders of the parent company						Minority interest	Total equity
	Share capital	Share premium	Reserves	Retained earnings	Currency translation reserve	Total		
th EUR								
Balance at 31.12.2006	10 560	0	352	6 028	0	16 940	15	16 955
Profit for the year	0	0	0	1 176	0	1 176	10	1 186
Net income (expense) recognized in equity	0	0	0	1 176	0	1 176	10	1 186
Transaction costs	0	0	(175)	0	0	(175)	0	(175)
Change of minority interest	0	0	0	0	0	0	(4)	(4)
Balance at 31.03.2007	10 560	0	177	7 204	0	17 941	21	17 962
Balance at 31.12.2007	12 125	11 727	653	11 886	31	36 422	61	36 483
Profit for the period	0	0	0	693	0	693	2	695
Currency translation difference	0	0	0	0	3	3	0	3
Reserve to the share option	0	0	3	0	0	3	0	3
Net income (expense) recognized in equity	0	0	3	693	3	699	2	701
Change of minority interest	0	0	0	0	0	0	(40)	(40)
Balance at 31.03.2008	12 125	11 727	656	12 579	34	37 121	23	37 144

The notes presented on pages 18 to 26 form an integral part of the consolidated interim financial information



## Consolidated interim cash flow statement (unaudited)

(thousand)	EEK		EUR	
	Q I 2008	Q I 2007	Q I 2008	Q I 2007
Cash flows from operating activities				
Operating profit for the period	25 206	22 383	1 611	1 431
Adjustments for:				
Depreciation, amortization and impairment of property, plant and equipment and intangibles	14 905	8 143	953	520
Profit (loss) on sale of property, plant and equipment	(114)	(41)	(7)	(3)
Changes in working capital:				
Trade and other receivables	3 596	(82 472)	230	(5 271)
Inventories	(2 985)	(2 501)	(191)	(160)
Trade and other payables	(22 708)	64 515	(1 451)	4 123
Cash generated from operations	17 900	10 027	1 144	641
Interest paid	(13 845)	(2 600)	(885)	(166)
Net cash generated from operating activities	4 055	7 427	259	475
Cash flows from investing activities				
Investments in business combinations	0	(70)	0	(4)
Proceeds from financial assets	0	13	0	1
Interest received	277	992	18	63
Purchase of property, plant and equipment	(9 263)	(23 518)	(592)	(1 503)
Proceeds from sale of property, plant and equipment	316	148	20	9
Loans granted	(3 067)	(5 545)	(196)	(354)
Loan repayments received	46	1 110	3	71
Net cash used in investing activities	(11 691)	(26 870)	(747)	(1 717)
Cash flows from financing activities				
Finance lease payments made	(7 788)	(5 248)	(498)	(335)
Change in overdraft used	(24 722)	19 011	(1 580)	1 215
Proceeds from borrowings	30 027	52 347	1 919	3 346
Repayments of borrowings	(21 076)	(59 426)	(1 347)	(3 798)
Net cash generated from financing activities	(23 559)	6 684	(1 506)	427
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(31 195)	(12 759)	(1 994)	(815)
Cash and cash equivalents at the beginning of the period	68 970	51 101	4 408	3 266
Cash and cash equivalents at the end of the period	37 775	38 342	2 414	2 451

The notes presented on pages 18 to 26 form an integral part of the consolidated 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 online media, publishing newspapers and magazines, printing services, book sales, 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 company registered in Estonia. There are 15 subsidiaries, 6 joint ventures and 2 associated companies, belonging to the consolidation group as at 31.03.2008.

The consolidated interim financial information was approved for issue by the Management Board on 8 May 2008.

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

These consolidated interim report of AS Ekspress Grupp for the first quarter of 2008 reflect the results of the following group companies:

	Status	Shareholding 31.03.2008	Shareholding 31.12.2007	Main field of activities	Location
AS Ekspress Grupp	Parent Company			Holding Company	Estonia
Eesti Ekspressi Kirjastuse AS	Subsidiary	100%	100%	Newspaper publishing	Estonia
Maaleht AS	Subsidiary	100%	0%	Newspaper publishing	Estonia
UAB Ekspress Leidyba	Subsidiary	99,80%	99,80%	Magazine publishing	Lithuania
Delfi AS	Subsidiary	100%	0%	Online classified ads	Estonia
Delfi AS	Subsidiary	100%	0%	Online classified ads	Latvia
Delfi UAB	Subsidiary	100%	0%	Online classified ads	Lithuania
AS Printall	Subsidiary	100%	100%	Printing services	Estonia
Rahva Raamat AS	Subsidiary	100%	100%	Books retail sale	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
Teletell Infoline SRL	Subsidiary	100%	100%	Information services	Romania
Express Online SRL	Subsidiary	80%	80%	Call centre services	Romania
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%	Magazine publishing	Estonia
Uniservice OÜ	Joint venture	26%	26%	Magazine publishing	Estonia
OÜ Netikuulutused	Joint venture	50%	75%	Online classified ads	Estonia
AS Linnaleht	Associate	25%	25%	Newspaper publishing	Estonia
UAB Medipresa	Associate	40%	40%	Periodicals' wholesale distribution	Lithuania
Dormant companies					
OÜ Ekspress Internet	Subsidiary	80%	80%	Online classified ads	Estonia

## Note 2 Basis of preparation

This condensed consolidated interim financial information for the first quarter ended on 31 March 2008 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 2007.

According to management's assessment, the consolidated interim financial statements of AS Ekspress Grupp for the first quarter of 2008 give a true and fair view of the Group's result of operations and all group entities are going concerns. The interim financial statements have not been audited or otherwise checked by auditors and they contain only the consolidated financial statements of the Group.

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

## Note 3 Subsidiaries and associated companies

### Acquisitions and disposals of subsidiaries and associates

On 31 March 2008 Eesti Päevaleht AS purchased 50% of the shares OÜ Netikuulutused from Eesti Ekspress Kirjastus AS. As a result of the transaction, Eesti Päevaleht AS is the sole shareholder of OÜ Netikuulutused.

All business combinations between independent parties are accounted for under the purchase method of accounting at the Group under which the acquired holding is reported at the acquisition cost. The purchase method is applied as of the date of acquisition. As of this date, the acquisition cost of the acquired holding, the fair value of the net assets acquired and the resulting (positive or negative) goodwill are determined. In addition to the acquisition cost of the acquired holding, directly attributable expenditures relating to the acquisition, such as fees paid to the advisors and other expenditures are according to IFRS 3.24 also included in the acquisition cost of the acquired holding.

To allocate the acquisition cost to the fair values of the acquired assets, liabilities and contingent liabilities, a purchase price allocation is prepared. The acquisition cost is allocated to the fair value of the net assets acquired; the excess of the acquisition cost of the acquired holding over the fair value of the net assets acquired is recognised as (positive or negative) goodwill. Goodwill reflects that portion of the acquisition cost that was paid for such assets of the Company that cannot be identified and accounted for separately. Positive goodwill can be explained by the high profitability of the acquired business units, cost savings as compared to alternative costs and major synergies which are expected to arise after the concentration into the Group. Goodwill as an intangible asset with an indefinite useful life is not subject to amortisation but instead, an impairment test is performed at least once a year.

The estimated future cash flows of a cash-generating unit that are discounted using the weighted average cost of capital are used as the basis of the investment's recoverable amount. When the carrying amount of the investment is not recoverable, the investment is written down to its recoverable amount and an impairment loss is recognised. When the carrying amount of the investment is recoverable, revaluation is not necessary. Assumptions and estimates used in the evaluation of business combinations are constantly reviewed and when the actual results differ from these estimates, the results are restated.

## Note 4 Capital expenditure

th EEK	Property, plant and equipment		Intangible assets	
	Q I 2008	Q I 2007	Q I 2008	Q I 2007
Balance at the beginning of period				
Acquisition cost	546 443	407 851	1 048 729	156 823
Accumulated depreciation	(141 563)	(118 640)	(25 309)	(18 541)
Book value	404 880	289 211	1 023 420	138 282
Acquisitions and improvements	7 257	78 030	2 827	7 037
Disposals (at book value)	(69)	(107)	0	(94)
Reclassification	(5)	(14)	0	(2)
Disposals through business combination	(63)	0	(422)	0
Depreciation and impairment	(10 623)	(6 964)	(4 184)	(1 179)
Valuutakursi correction	(30)	0	(16)	0
Balance at the end of period				
Acquisition cost	553 147	485 334	1 051 113	163 764
Accumulated depreciation	(151 799)	(125 178)	(29 488)	(19 720)
Book value	401 348	360 156	1 021 625	144 044

th EUR	Property, plant and equipment		Intangible assets	
	Q I 2008	Q I 2007	Q I 2008	Q I 2007
Balance at the beginning of period				
Acquisition cost	34 924	26 066	67 026	10 023
Accumulated depreciation	(9 048)	(7 582)	(1 618)	(1 185)
Book value	25 877	18 484	65 408	8 838
Acquisitions and improvements	464	4 987	181	450
Disposals (at book value)	(4)	(7)	0	(6)
Reclassification	0	(1)	0	0
Disposals through business combination	(4)	0	(27)	0
Depreciation and impairment	(679)	(445)	(267)	(75)
Currency correction	(2)	0	(1)	0
Balance at the end of period				
Acquisition cost	35 353	31 019	67 178	10 466
Accumulated depreciation	(9 702)	(8 000)	(1 885)	(1 260)
Book value	25 651	23 018	65 294	9 206

## Note 5 Bank loans and borrowings

th EEK	Total amount	Repayment term			Average interest rate
		up to 1 year	1 to 5 years	over 5 years	
Balance at 31.12.2007					
Bank overdraft	79 060	79 060	0	0	6,20%
Long-term bank loans	692 773	86 126	593 915	12 732	5,05%
Finance lease (note 21)	168 765	33 827	114 587	20 351	5,05%
<b>Total</b>	<b>940 598</b>	<b>199 013</b>	<b>708 502</b>	<b>33 083</b>	
Balance at 31.03.2008					
Bank overdraft	54 338	54 338	0	0	6,20%
Long-term bank loans	671 732	86 540	575 586	9 606	5,45%
Finance lease (note 21)	161 951	34 717	111 709	15 525	5,62%
<b>Total</b>	<b>888 021</b>	<b>175 595</b>	<b>687 295</b>	<b>25 131</b>	

th EUR	Total amount	Repayment term			Average interest rate
		up to 1 year	1 to 5 years	over 5 years	
Balance at 31.12.2007					
Bank overdraft	5 053	5 053	0	0	6,20%
Long-term bank loans	44 276	5 504	37 958	814	5,05%
Finance lease (note 21)	10 786	2 162	7 323	1 301	5,05%
<b>Total</b>	<b>60 115</b>	<b>12 719</b>	<b>45 282</b>	<b>2 114</b>	
Balance at 31.03.2008					
Bank overdraft	3 473	3 473	0	0	6,20%
Long-term bank loans	42 932	5 531	36 787	614	5,45%
Finance lease (note 21)	10 351	2 219	7 140	992	5,62%
<b>Total</b>	<b>56 756</b>	<b>11 223</b>	<b>43 926</b>	<b>1 606</b>	

The syndicate of SEB, Sampo Pank and Nordea Pank and AS Ekspress Grupp have concluded a Loan Agreement on 28 August 2007 in the amount of EEK 674.4 million (EUR 43.1 million) for the acquisition of Delfi Group and Maaleht. Loan matures on 25 December 2012 and interest rate is 1.7% + 6 months EURIBOR. As of 31 March 2008 the loan liability constitutes EEK 606.3 million (EUR 38.7 million). The loan is secured:

- with a mortgage on the registered immovable located at Peterburi Rd 64A in the mortgage amount of 40 000 thousand kroons (2 556 thousand euros);
- with a pledge on the shares of Delfi Estonia, Delfi Latvia, Delfi Lithuania, Maaleht, Eesti Ekspress Kirjastus and Ekspress Hotline, and with the guarantee of the said subsidiaries in the total amount of 43 100 thousand kroons (2 755 thousand euros);
- with a combined pledge in the amount of 4 000 thousand kroons (255 thousand euros) on the following trademarks: Eesti Ekspress, Ekspress Hotline, Delfi and Maaleht.
- with an agreement with Hans Luik for the maintenance of a shareholding (direct and indirect) of at least 51 % in Ekspress Group.

A loan agreement has been concluded between Printall and Sampo Bank in the amount of 75 000 thousand kroons (4 793 thousand euros), with the term of 15.12.2013, which is secured with a mortgage in the amount of 100 million kroons (6.4 million euros) on registered immovable property located at Peterburi Rd 64A, Tallinn (carrying amount as of 31.03.2008: 75 406 thousand kroons (4 819 thousand euros), 31.12.2007: 76 143 thousand kroons (4 866 thousand euros), also a commercial pledge on the assets of the company in the amount of 50 million kroons (3.2 million euros). The outstanding loan balance as of 31.03.2008: 65 419 thousand kroons (4 181 thousand euros), 31.12.2007: 67 823 thousand kroons (4 335 thousand euros). Loan and financial lease agreements contain among other things certain conditions for

ratios of the company with which the financial indicators of the company must comply. As of the balance sheet date, all the ratios were in compliance with the conditions established by the financial institutions.

On 3 March 2008 an amendment to the overdraft agreement between Ekspress Grupp and AS Sampo Pank has been made, under which the new overdraft amount is 20 million kroons (1.28 million euros). The interest rate of overdraft agreement is 6% and the maturity date of the loan is 31.03.2009 according to the amendment to the overdraft agreement concluded on 31 March 2008.

According to the overdraft agreement concluded on 30 March between AS Ekspress Grupp and AS SEB Pank, the new overdraft limit is 1.28 million euros (20 million kroons). The interest rate of overdraft is 6% and the maturity date of the loan is 31.03.2009.

On 31 March 2008 an overdraft agreement was concluded between AS Ekspress Grupp and Nordea Bank Finland Plc Estonian branch with the limit of 1.28 million euros (20 million kroons). The interest rate of overdraft is 6% and the loan maturity date is 31.03.2009.

The overdraft agreements concluded with Sampo, SEB and Nordea banks have been secured by the surety issued by Hans Luik. The corresponding contract of suretyship was concluded on 1 April 2008.

## Note 6 Segment reporting

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

- a) online media;
- b) periodicals;
- c) printing services;
- d) book sales;
- e) information services;
- f) unallocated.

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

Since 2008, the online media segment includes also the web publications of AS Eesti Päevaleht, SLÕhtuleht AS and Eesti Ekspress Kirjastus AS, and automobile, real estate and employment web environments of Eesti Ekspress Kirjastus AS, which were earlier included under the periodicals segment.

## Revenue by segment

(thousand)	EEK		EUR		Change%
	Q I 2008	Q I 2007	Q I 2008	Q I 2007	
Online media	38 453	3 289	2 458	210	1069%
Periodicals	135 247	114 303	8 644	7 305	18%
Printing services	101 905	90 821	6 513	5 805	12%
Book sales	46 881	41 678	2 996	2 664	12%
Information services	21 576	17 551	1 379	1 122	23%
Unallocated	625	441	40	28	42%
Inter-segment sales	(23 349)	(18 491)	(1 492)	(1 182)	26%
Sales to external customers	321 338	249 592	20 537	15 952	29%

## EBITDA by segment

(thousand)	EEK		EUR		Change%
	Q I 2008	Q I 2007	Q I 2008	Q I 2007	
Online media	9 097	(1 219)	581	(78)	-
Periodicals	17 470	12 726	1 117	813	37%
Printing services	20 047	17 407	1 281	1 113	15%
Book sales	1 921	1 260	123	81	52%
Information services	690	2 397	44	153	-71%
Unallocated	(2 328)	(2 157)	(149)	(138)	8%
Eliminations	(6 785)	227	(434)	15	-
EBITDA total	40 112	30 641	2 564	1 958	31%

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

The company is active in Estonia, Latvia, Lithuania and Romania. As the markets do not generate significantly different risks and returns and they exhibit similar long-term financial performance, these four segments are combined. The share of group's revenues in Lithuania is less than 5% and in Latvia less than 2%. There are no material inter-segment transactions or unallocated assets.

## Note 7 Reserves

Reserves include:

- Statutory legal reserve required by the Commercial Code. Subject to the approval of the general meeting, the reserve may be used for covering accumulated losses, if the latter cannot be covered with other unrestricted equity, and for increasing share capital.
- Other reserves- additional payments in cash from share holders 10 000 th EEK (639 th EUR) and reserve to the share option 51 thousand kroons (3,3 thousand euro).

On the special general meeting of shareholders held on 21 January, it was decided to add a provision to the articles of association of AS Ekspress Grupp which grants the Supervisory Board the right to increase the share capital of the Company in the period from 22.01.2008 to 21.01.2011 with up to 470 000 shares. That right will be exercised in the case if new shares are issued to the key management of the Group and its subsidiaries approved by the Supervisory Board on 11 March 2008 for conducting the share option programme. According to the share option programme approved by the Supervisory Board, Ekspress Group will issue up to 470 000 options, while the number of options granted to one person is a maximum of 100 000. Each option grants at exercise date the right to one share. The share option will be exercised in the first half year of 2009, 2010 and 2011 each year accordingly 1/3 of the volume determined to the entitled person. The number of shares to be issued annually under the option programme comprises 0.8% of the total number of shares.

On 12 March 2008 agreements of stock call option were concluded with the members of the management of the concern and subsidiaries included in the option program. According to the IFRS2 options are accounted in their fair value under operating expenses and other reserves proportionally over the validity period of options.

- Share premium – the positive difference between the issue price and nominal value of issued shares

th EEK	31.12.0007	31.12.2006
Share premium	183 495	183 495
Statutory legal reserve	222	222
Other reserves	10 051	10 000
Additional payments in cash from shareholders	10 000	10 000
Reserve for stock options	51	0

## 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 31.03.2008 and 31.12.2007 diluted earnings per share equal basic earnings per share.

	EEK		EUR	
	Q I 2008	Q I 2007	Q I 2008	Q I 2007
Profit attributable to equity holders of the Parent Company	10 839 379	18 403 501	692 763	1 176 198
The average number of ordinary shares	18 971 081	16 523 200	18 971 081	16 523 200
Basic and diluted earnings per share	0,57	1,11	0,04	0,07

## Note 9 Equity

On 5 April 2007, the company's share capital was increased with a capitalisation issue from 24 479 th EEK by issuing 2 447 881 new Shares with the nominal value of EEK 10 each. The new shares were subscribed during the initial public offering of the company's shares at Tallinn Stock Exchange where the final offer price was set at EEK 92.30. Thus, after the deduction of the issue costs (17 996 th EEK ), the company was able to recognise share premium of 183 495 th EEK.

Following the described share capital increases, the share capital of the Company is 189 711 th EEK, divided into 18 971 081 shares with the nominal value of EEK 10 each.

Authorised share capital according to the Articles of Association is EEK 400 000 000.

The information given in the table is calculated on the basis of shareholdings as at the date of 31.03.2008

Name	Number of shares	%
Skandinaviska Enskilda Banken AB Clients	1 320 522	6,96%
Members of Management and Supervisory Boards and their immediate family members		
Hans Luik	10 766 800	56,79%
Hans Luik, OÜ HHL Rühm	1 909 444	10,07%
Hans Luik , OÜ Minigert	6 900	0,00%
Hans Luik, Selle Luik	76	0,00%
Priit Leito	49 997	0,26%
Viktor Mahhov, OÜ Integer Management Services	33 910	0,18%
Härmo Värk, Holderstone OÜ	10 000	0,05%
Kaido Ulejev	8 471	0,00%
Other minority shareholders	4 864 961	25,69%
Total	18 971 081	100%



## 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 (note 9)

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

(thousand)	EEK		EUR	
	Q I 2008	Q I 2007	Q I 2008	Q I 2007
Sale of services				
members of management boards and companies related to them	4	2	0	0
members of supervisory boards and companies related to them	190	98	12	6
associated companies	9 346	9 507	597	608
Sales total	9 540	9 607	609	614

## Purchases

(thousand)	EEK		EUR	
	Q I 2008	Q I 2007	Q I 2008	Q I 2007
Purchase of services				
members of management boards and companies related to them	310	214	20	14
members of supervisory boards and companies related to them	1 166	1 293	75	83
associated companies	86	61	5	4
Purchases total	1 562	1 568	100	101

## Receivables

(thousand)	EEK		EUR	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Short-term receivables				
members of supervisory boards and companies related to them	4 830	1 162	309	74
associated companies	4 574	5 555	292	355
Short-term receivables total	9 404	6 717	601	429
Long-term receivables				
members of supervisory boards and companies related to them	1 550	9 324	99	596
Long-term receivable total	1 550	9 324	99	596
Receivable total	10 954	16 041	700	1 025

## Liabilities

(thousand)	EEK		EUR	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Short-term payables				
members of management boards and companies related to them	28	91	2	6
members of supervisory boards and companies related to them	30 424	2 005	1 944	128
associated companies	2	69	0	4
Liabilities total	30 454	2 165	1 946	138

AS Ekspress Grupp (Borrower) and HHL Rühm OÜ (related company of the Group's shareholder) have concluded a short term Loan Agreement in March 2008 in the amount of EEK 30 000 th (1 917 thousand euros). Loan interest rate is 6%.

AS Ekspress Grupp (Lender) and OÜ ZinZin have concluded a Loan Agreement in 31 August 2007 in the amount of EEK 879.5 million ( 56,2 million euros ) for the acquisition of Delfi Group. Loan matures in 2027, interest rate is 1.7% + 6 month EURIBOR.

The Management Board of the Parent company consists of 3 members and the Supervisory Board of 6 members.

#### Key management and supervisory board remuneration

(thousand)	EEK		EUR	
	Q I 2008	Q I 2007	Q I 2008	Q I 2007
Salaries and other short-term employee benefits (paid)	4 816	2 436	308	156
Total	4 816	2 436	308	156

The key management employment termination compensation benefits are obligations only in case of termination of contracts originated by Group and in case of dismissal at termination of contracts if the board member shall not be re-elected. Potential key management employment termination compensation in 2008 is 5 214 th EEK (333 th EUR) and 2007 was 2 907 th EEK (186 th EUR). The management termination compensations are payable only in case the termination of contracts was originated by Group.

#### Note 11 Post-balance-sheet events

A letter of intent was concluded on 15 April 2008 at the negotiations of AS Ekspress Grupp with AS Eesti Post, which are held with AS Eesti Meedia, co-shareholder of AS Express Post. If an agreement is reached in all additional conditions, a share purchase agreement can be concluded in the first half-year of 2008. The consent of the Competition Board is also necessary for conclusion of the transaction.