

MERGER REPORT ON AS EKSPRESS GRUPP AND AS MAALEHT

Tallinn, 12 March 2010

The management boards of AS Ekspress Grupp and AS Maaleht hereby submit a merger report in accordance with the Commercial Code § 393. The merger and merger agreement, which was concluded between AS Ekspress Grupp and AS Maaleht on 30 December 2009, are legally and economically justified below.

1. INTRODUCTION

AS Ekspress Grupp (acquiring company) is a company whose main activity is management of the Group companies. The main area of activity of Ekspress Grupp and its subsidiaries include online media, publishing newspapers and magazines, and printing services.

The share capital of AS Ekspress Grupp in the amount of 208,488,410 Estonian kroons has been divided into 20,848,841 shares, of which 68.32% (i.e. 14,243,812 shares) are under control of Hans H. Luik, 9.99% (i.e. 2,083,159 shares) are held by ING Luxembourg S.A. and 21.69% (i.e. 4,521,870 shares) are held by other minority shareholders.

AS Maaleht (company being acquired) is a 100% subsidiary of AS Ekspress Grupp. The main activity of AS Maaleht was the publishing of Maaleht, a weekly newspaper with one of the largest and most stable readerships in Estonia, until 1 October 2009 when the company was transferred to AS Eesti Ajalehed.

The share capital of AS Maaleht in the amount of 780,000 Estonian kroons has been divided into 7,800 shares, which were all held by AS Ekspress Grupp prior to the merger.

2. ECONOMIC AND LEGAL JUSTIFICATION OF THE MERGER, JUSTIFICATION OF THE CHOICE OF THE MERGER TYPE

The objective of the merger of AS Ekspress Grupp with its 100% subsidiary AS Maaleht is to facilitate the administrative management of the merging parties as well as to minimise the related costs and increase efficiency. The merger will have no economic effect on the other subsidiaries and associates of the Group.

AS Maaleht was transferred to Eesti Ajalehed AS on 1 October 2009.

Due to the fact that AS Ekspress Grupp holds 100% of the shares in AS Maaleht, the management board has approved such type of a merger stipulated in the Commercial Code, according to which AS Maaleht as the company being acquired is merged with AS Ekspress Grupp as the acquiring company so that the assets (rights and obligations) of AS

Maaleht shall be transferred to the acquiring company as of making a merger entry in the commercial register.

As all shares of AS Maaleht are held by AS Ekspress Grupp, the shares of AS Maaleht shall not be exchanged and they shall become invalid as of making a merger entry in the commercial register.

3. INCREASE OF SHARE CAPITAL UPON THE MERGER, SHARE EXCHANGE RATIO

Share capital shall not be increased and shares shall not be exchanged upon the merger.

4. CONTROL OF THE MERGER

AS Maaleht is part of the group of Ekspress Grupp, therefore, the merger does not represent a concentration in the meaning of the Competition Act. Therefore, it is not necessary to notify the Competition Board of the planned merger and obtain permission from the Competition Board.

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Gunnar Kobin
AS Ekspress Grupp
Member of the Management Board

/signed/

Kadi Lambot
AS Maaleht
Member of the Management Board