AS EKSPRESS GRUPP

CONSOLIDATED INTERIM REPORT

FOR THE THIRD QUARTER AND 9 MONTHS OF

2013

TABLE OF CONTENTS

GENERAL INFORMATION

Beginning of reporting period	1 January 2013
End of reporting period	30 September 2013
Company name	AS Ekspress Grupp
Registration number	10004677
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Phone	669 8381
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E-mail	egrupp@egrupp.ee
Internet homepage	www.egrupp.ee
Main field of activity	Publishing and related services
Management Board	Gunnar Kobin (chairman)
	Andre Veskimeister
	Pirje Raidma
	Madis Tapupere (until 13 April 2013)
Supervisory Board	Viktor Mahhov (chairman)
	Hans H. Luik
	Aavo Kokk
	Kari Sakari Salonen
	Harri Helmer Roschier
	Ville Jehe
Auditor	AS PricewaterhouseCoopers

Management Board's confirmation of the Group's interim financial statements

The Management Board confirms that the management report and interim consolidated financial statements of AS Ekspress Grupp disclosed on pages 5 to 42 present a true and fair view of the key events which have occurred during the reporting period and their effect on the Group's financial position, results and cash flows, and they include a description of major risks and related party transactions of great significance.

Gunnar Kobin	Chairman of the Management Board	*signed digitally*	01.11.2013
Pirje Raidma	Member of the Management Board	*signed digitally*	01.11.2013
Andre Veskimeister	Member of the Management Board	*signed digitally*	01.11.2013

MANAGEMENT REPORT

In the 3rd quarter of this year, Ekspress Grupp earned net profit of EUR 0.5 million which is 73% higher than in the same period last year. EBITDA totalled EUR 1.4 million, which is 9% lower than last year. We are not satisfied with either result as we were more optimistic in our forecasts. In the 3rd quarter, we earned lower profit in online media and printing services segments. The periodicals segment grew as compared to the same period last year.

In the **online media segment**, the problem in the 3rd quarter was the unexpected revenue weakness in the Latvian and Lithuanian portals and a greater than usual allowance for doubtful receivables which occurred at these companies at the same time. Decelerating economic growth in the Baltic States and Europe coupled with warmer than normal summer significantly curbed the economic activity primarily in Latvia and Lithuania, which directly impacted the advertising revenue of our portals. Although Delfi Lithuania managed to grow it sales by 5% as compared to last year, it fell significantly short of the budget. However, the economic result of Delfi Estonia outpaced the rest of the market, and sales increased by 24% as compared to the same period last year, greatly helped by growth in videostreaming. In the 3rd quarter, the loss of Delfi Estonia decreased by half as compared to last year. In the 3rd quarter, our efforts in all Baltic States have focused on development of the portfolio of online verticals and video production which has, however, hindered the EBITDA margin growth. Sales of videos or banners to our advertising clients in video transmissions are gaining momentum and the profitability of video transmissions is in an upward trend.

Although, the sales in the **periodicals segment** fell short of the last year's level, profitability has increased, due to which the profit in the periodicals segment increased by 4% as compared to last year. The main shortfall was attributable to lower sales of the book publisher Hea Lugu which was boosted by the DVD series of Estonian film classics last year. A new children's DVD series will be launched in October. However, despite a decrease in print advertising, Eesti Ajalehed managed to maintain its sales, attributable to the sale of detective novels available together with Eesti Päevaleht and LP. Our joint ventures SL Õhtuleht, Ajakirjade Kirjastus and Express Post exceeded last year's result.

In the periodicals segment, we are pleased with the growth in the number of digital subscriptions. Thus from the end of 2nd quarter, the number of paying digital subscribers of both Eesti Päevaleht and Eesti Ekspress has increased by ca 40% and has exceeded the level of 5 000 subscribers for each newspaper.

In the periodicals segment, an important change in also occurred staff, where Kadi Lambot who had been in charge of AS Eesti Ajalehed for 5 years left and Art Lukas assumed her position.

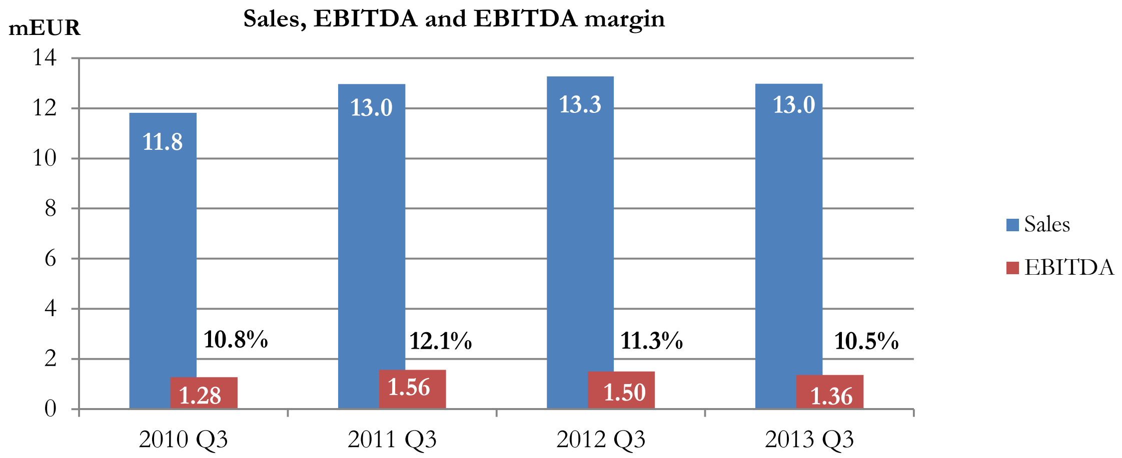
In the **printing services segment**, sales and profitability remained under pressure due to the slump which hit the market at the beginning of the year, as a result of which the printing works did not operate at full capacity and it took time to find new clients. The decrease in circulations and print volumes of our long-time clients has also had a negative effect. However, we are making investments which help to improve productivity and increase profitability.

In the 3rd quarter, AS Eesti Meedia, the co-shareholder of Ekspress Group in three **joint ventures**, announced that a change had occurred among its owners, due to which Ekspress Grupp has a purchase right of a co-shareholder arising from the Shareholders' Agreement. Ekspress Grupp intends to use its purchase right and is performing the necessary activities for this. The possibility of the use of the purchase right as well as the date of its realisation will depend primarily on the willingness of AS Eesti Meedia to cooperate.

In the **last quarter of the year** we expect revenue to remain at last year's level and EBITDA of the periodicals and online segments to increase as compared to last year. In respect of the Group's EBITDA, we expect a slight decrease due to some one-off expenses of the Parent Company. According to the forecast, net profit from ordinary activities is expected to remain at the last year's level.

KEY FINANCIAL INDICATORS AND RATIOS

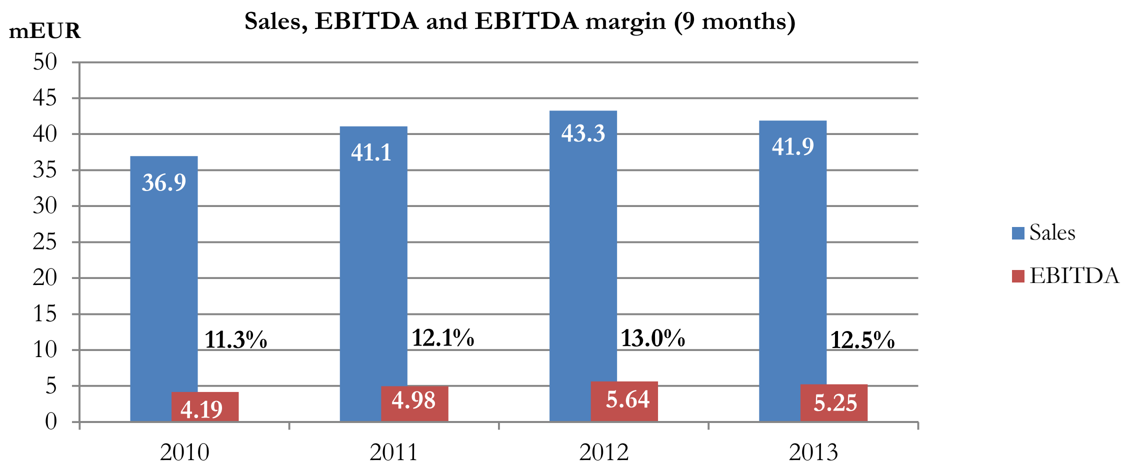
(EUR thousand)	Q3 2013	Q3 2012	Change %	Q3 2011	Q3 2010
For the period					
Sales	12 977	13 278	-2%	12 969	11 817
Gross profit	2 500	2 678	-7%	2 879	2 394
EBITDA	1 361	1 495	-9%	1 564	1 277
Operating profit	718	676	6%	715	492
Interest expenses	204	301	-32%	554	640
Net profit/(loss) for the period	**455**	**263**	**73%**	**118**	**(264)**
EBITDA margin (%)	10.5%	11.3%		12.1%	10.8%
Operating margin (%)	5.5%	5.1%		5.5%	4.2%
Net margin (%)	3.5%	2.0%		0.9%	-2.2%
ROA (%)	0.6%	0.3%		0.1%	-0.3%
ROE (%)	1.1%	0.7%		0.3%	-0.7%
Earnings per share (EPS)	**0.02**	**0.01**		**0.00**	**(0.01)**

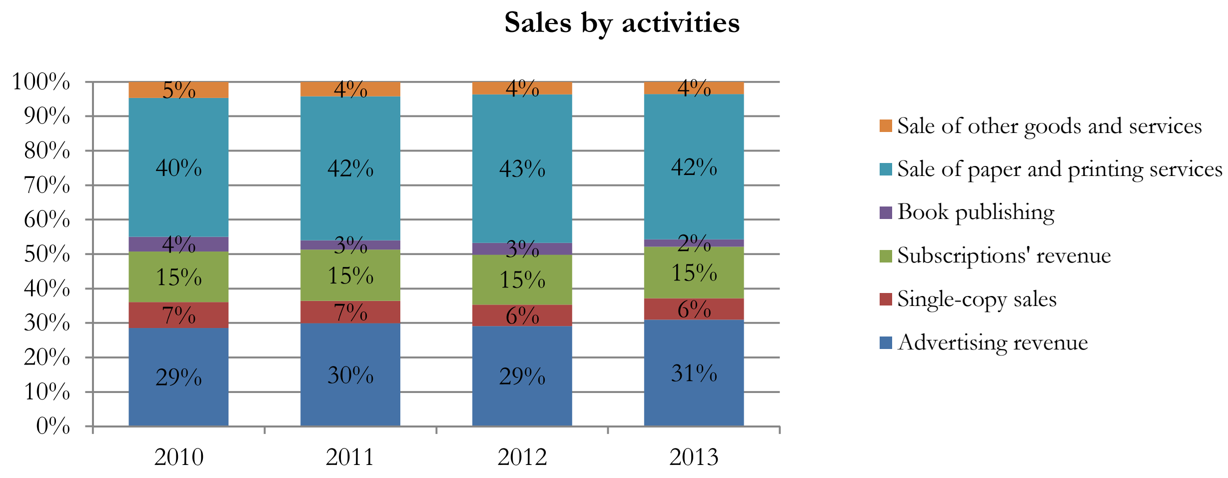


(EUR thousand)	9 months 2013	9 months 2012	Change %	9 months 2011	9 months 2010
For the period					
Sales	41 901	43 260	-3%	41 078	36 929
Gross profit	9 095	9 273	-2%	8 884	7 828
EBITDA*	5 249	5 636	-7%	4 982	4 188
Operating profit*	3 299	3 101	6%	2 406	1 742
Interest expenses	578	1 343	-56%	1 689	1 957
Net profit/(loss) for the period from continuing operations*	**2 490**	**1 413**	**76%**	**361**	**(722)**
EBITDA margin* (%)	12.5%	13.0%		12.1%	11.3%
Operating margin* (%)	7.9%	7.2%		5.9%	4.7%
Net margin* (%)	5.9%	3.3%		0.9%	-2.0%
Extraordinary gain related to acquisition of Eesti Päevalehe AS**	0	0	-	1 540	0
Net profit / (loss) from continuing operations for the period in the financial statements	2 490	1 413	76%	1 901	(722)
Net profit / (loss) for the period in the financial statements	2 490	1 413	76%	1 901	(359)
Net margin (%)	5.9%	3.3%		4.6%	-1.0%
ROA (%)	3.2%	1.8%		2.2%	-0.4%
ROE (%)	5.9%	3.6%		5.0%	-1.1%
Earnings per share (EPS)	**0.08**	**0.05**		**0.06**	**(0.01)**

*The results exclude impairment of goodwill and trademarks, and the net extraordinary gain in relation to the acquisition of an additional ownership interest in Eesti Päevalehe AS (see below).

**In the 1st quarter of 2011, an additional 50% ownership interest was acquired in Eesti Päevalehe AS. The transaction was accounted for in two parts: firstly, as the sale of the current 50% ownership interest on which the net extraordinary gain totalled EUR 1 540 thousand and secondly, as the acquisition of the wholly-owned subsidiary.





Balance sheet (EUR thousand)	30.09.2013	31.12.2012	Change%
As of the end of the period			
Current assets	12 093	13 545	-11%
Non-current assets	65 911	66 754	-1%
Total assets	**78 004**	**80 299**	-3%
incl. cash and bank	*2 506*	*3 280*	*-23%*
incl. goodwill	*41 360*	*41 093*	*1%*
Current liabilities	13 061	14 967	-13%
Non-current liabilities	21 639	24 233	-11%
Total liabilities	**34 700**	**39 200**	-11%
incl. borrowings	*25 258*	*28 580*	*-12%*
Equity	43 304	41 099	5%

Financial ratios (%)	30.09.2013	31.12.2012
Equity ratio (%)	56%	51%
Debt to equity ratio (%)	58%	70%
Debt to capital ratio (%)	34%	38%
Total debt/EBITDA ratio	3.4	3.6
Debt service coverage ratio	1.71	1.52
Liquidity ratio	0.93	0.90

Formulas used to calculate the financial ratios	
EBITDA margin* (%)	EBITDA* /sales x 100
Operating margin* (%)	Operating profit* /sales x 100
Net margin* (%)	Net profit* /sales x 100
Net margin (%)	Net profit/sales x 100
Earnings per share	Net profit/average number of shares
Equity ratio (%)	Equity /(liabilities + equity) x 100
Debt to equity ratio (%)	Interest bearing liabilities /equity x 100
Debt to capital ratio (%)	Interest bearing liabilities –cash and cash equivalents (net debt)/(net debt+ equity) x 100
Total debt/EBITDA	Interest bearing borrowings/EBITDA

Formulas used to calculate the financial ratios above	
Debt service coverage ratio (DSCR)	EBITDA/loan and interest payments for the period
Liquidity ratio	Current assets/current liabilities
ROA (%)	Net profit/average assets x 100
ROE (%)	Net profit/average equity x 100

OVERVIEW OF THE SEGMENTS

The Group operates in the following operating segments:

- online media
- periodicals (newspapers, magazines and books)
- printing services.

Cyclicality

All operating areas of the Group are characterised by cyclicality and fluctuation, related to the changes in the overall economic conditions and consumer confidence. The Group's revenue can be adversely affected by an economic slowdown or recession. It can appear in lower advertising costs in retail and housing sectors, preference of other advertising channels and changes in consumption habits of retail consumers.

Seasonality

The revenue from the Group's advertising sales as well as in the printing services segment is impacted by major seasonal fluctuations. The level of both types of revenue is the highest in the 2nd and 4th quarter of each year and the lowest in the 3rd quarter. Revenue is higher in the 4th quarter because of higher consumer spending during the Christmas season, accompanied by the peak in advertising expenditure. Advertising expenditure is usually the lowest during the summer months, as well as during the first months of the year following Christmas and New Year's celebrations.

Key financial data of the segments Q3 2013/2012

(EUR thousand)	Sales			EBITDA		
	Q3 2013	Q3 2012	Change %	Q3 2013	Q3 2012	Change %
online media	2 439	2 282	7%	110	208	-47%
periodicals	5 342	5 729	-7%	189	182	4%
printing services	6 147	6 263	-2%	1 245	1 310	-5%
corporate functions	396	268	48%	(183)	(206)	11%
intersegment eliminations	(1 347)	(1 264)	-7%	0	1	-100%
TOTAL GROUP	**12 977**	**13 278**	**-2%**	**1 361**	**1 495**	**-9%**

EBITDA margin	Q3 2013	Q3 2012
online media	5%	9%
periodicals	4%	3%
printing services	20%	21%
TOTAL	**10%**	**11%**

Key financial data of the segments 9 months 2013/2012

(EUR thousand)	Sales			EBITDA		
	9 months 2013	9 months 2012	Change %	9 months 2013	9 months 2012	Change %
online media	8 100	7 381	10%	924	1 190	-22%
periodicals	17 032	18 115	-6%	658	595	11%
printing services	19 896	21 121	-6%	4 258	4 402	-3%
corporate functions	1 137	688	65%	(593)	(553)	-7%
intersegment eliminations	(4 264)	(4 045)	-5%	2	2	0%
TOTAL GROUP	**41 901**	**43 260**	**-3%**	**5 249**	**5 636**	**-7%**

EBITDA margin	9 months 2013	9 months 2012
online media	11%	16%
periodicals	4%	3%
printing services	21%	21%
TOTAL	**13%**	**13%**

The segments' EBITDA does not include intragroup management fees, and impairment of goodwill and trademarks. Volume-based and other fees payable to advertising agencies have not been deducted from the advertising sales of segments, because the management monitors gross advertising sales. Discounts and rebates are reduced from the Group's sales and are included in the combined line of eliminations.

News portals owned by the Group

Owner	Portal	Owner	Portal
Delfi Estonia	www.delfi.ee	AS Eesti Ajalehed	www.ekspress.ee
	rus.delfi.ee		www.maaleht.ee
Delfi Latvia	www.delfi.lv		www.epl.ee
	rus.delfi.lv	AS SL Õhtuleht	www.ohtuleht.ee
Delfi Lithuania	www.delfi.lt		
	ru.delfi.lt		
Delfi Ukraine	www.delfi.ua		

Advertising portals owned by the Group

Owner	Portal	Owner	Portal
Delfi Lithuania	www.alio.lt	AS Eesti Ajalehed	www.ekspressjob.ee
			www.ekspressauto.ee
			www.hyppelaud.ee

Online media segment

The online media segment includes Delfi operations in Estonia, Latvia, Lithuania and Ukraine as well as the Parent Company Delfi Holding.

(EUR thousand)	Sales			EBITDA		
	Q3 2013	Q3 2012	Change %	Q3 2013	Q3 2012	Change %
Delfi Estonia	877	710	24%	(28)	(60)	53%
Delfi Latvia	498	547	-9%	(33)	27	-222%
Delfi Lithuania	1 053	1 004	5%	129	222	-42%
Delfi Ukraine	11	21	-48%	(48)	(66)	27%
other Delfi companies	0	0	-	90	87	3%
intersegment eliminations	0	0	-	0	(2)	-
TOTAL	**2 439**	**2 282**	**7%**	**110**	**208**	**-47%**

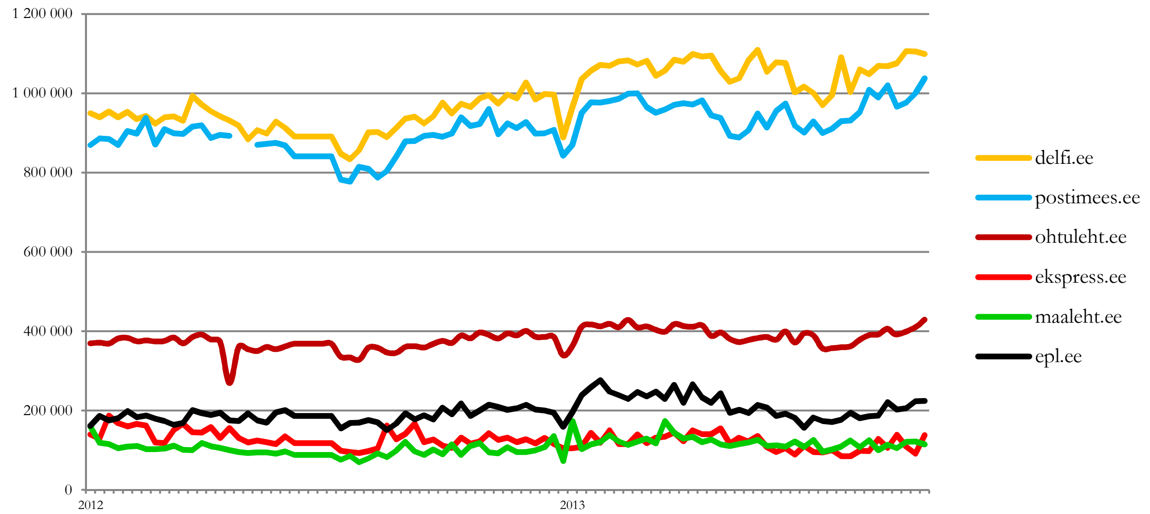
(EUR thousand)	Sales			EBITDA		
	9 months 2013	9 months 2012	Change %	9 months 2013	9 months 2012	Change %
Delfi Estonia	2 883	2 518	14%	121	161	-25%
Delfi Latvia	1 696	1 639	3%	36	94	-62%
Delfi Lithuania	3 485	3 162	10%	624	850	-27%
Delfi Ukraine	36	57	-37%	(156)	(201)	22%
other Delfi companies	0	5	-100%	299	290	3%
intersegment eliminations	0	0	-	0	(4)	-
TOTAL	**8 100**	**7 381**	**10%**	**924**	**1 190**	**-22%**

In the 3rd quarter, sales growth was led by Delfi Estonia. Delfi Lithuania also managed to increase its sales, but the overall weakness in the Latvian advertising market had a negative impact on Delfi Latvia. The latter was also reflected in the loss of Delfi Latvia as compared to the profit in the same amount last year. Delfi Latvia's result was not helped either by additional income earned from the new portal calis.lv, which was acquired and integrated with Delfi in July. Delfi Lithuania struggles with collection of accounts receivable and a larger allowance for receivables has impacted its EBITDA.

Delfi Estonia

- Delfi Estonia successfully continues its live broadcasts and continuously expands the range of event.
- The new economics page Ärileht www.arileht.ee and the travel portal www.reisijuht.ee successfully attract new users.

Estonian online readership 2012-2013



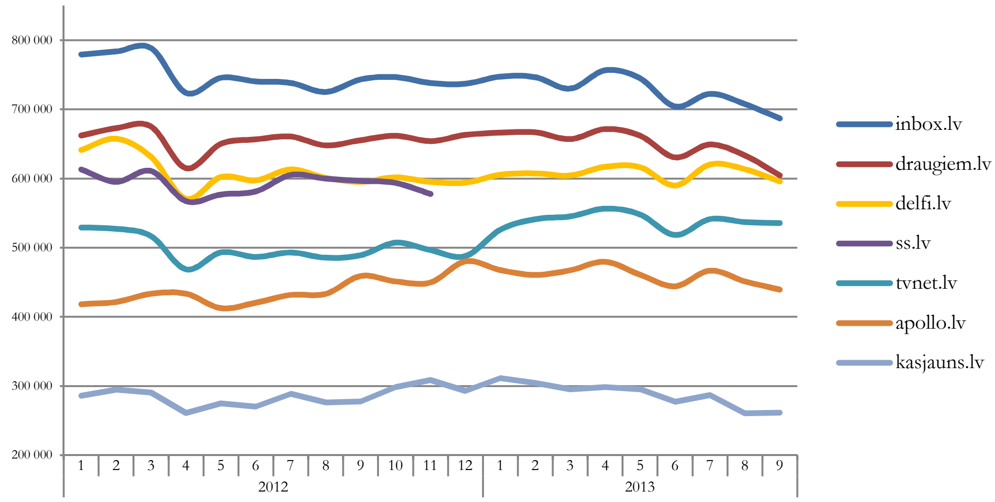
TNSMetrix weekly audience survey

Delfi remains the largest online environment in Estonia. In the 3rd quarter, Postimees, the closest competitor of Delfi, started to pressurise the research company Emor to change its measurement methodology and asked to add an odd measure by the name of cooperation of postimees.ee + kava.ee to the survey and uses such a misleading measurement result to increase ficitously the number of users of postimees.ee. Delfi asked the research company already in July 2013 to describe it research methodology and rules in order not to manipulate measurement results, but it has not yet happened.

Delfi Latvia

- The purchase transaction of calis.lv, targeted at parents, was completed and successfully integrated with Delfi.
- On this basis, a new news channel targeting parents was launched.
- In cooperation with Lattelecom, an interactive TV project was launched.
- English-language version of Delfi was launched in cooperation with the Baltic Times.
- Delfi continued as the key media partner of the festival "Positivus" and a unique live video was broadcast to all Baltic States.
- Russian-language Delfi launched cooperation with MTG Russian-language TV station TV5.

Latvian online readership 2012-2013



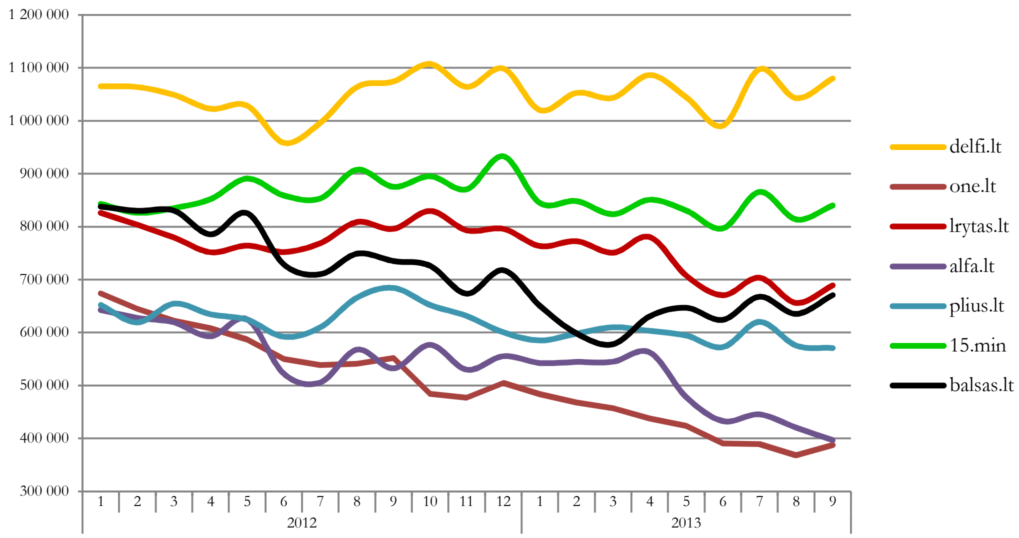
GemiusAudience monthly audience survey

In the 3rd quarter of 2013, there were no major changes in Latvian online environments. Delfi.lv has maintained the gap with the key competitor Tvnet.lv, which after the acquisition of spoki.lv in the 1st quarter of 2013 increased the number of its users by 50 thousand on average. It is also worth highlighting that the gap between the number of users of Delfi and the local social network Draugiem has never been smaller over the last several years as it is now. Arising from this, it is possible to assume that Delfi will become the second most popular online environment in Latvia in the near future. The e-mail environment Inbox remains the most popular webpage among Latvian internet users and Delfi.lv is the most popular news environment.

Delfi Lithuania

- Mobile version of Delfi portal reached the number one position in the Lithuanian market.
- Delfi's mobile versions were launched for all verticals, as well as the Russian and Polish-language Delfi sites.

Lithuanian online readership 2012-2013



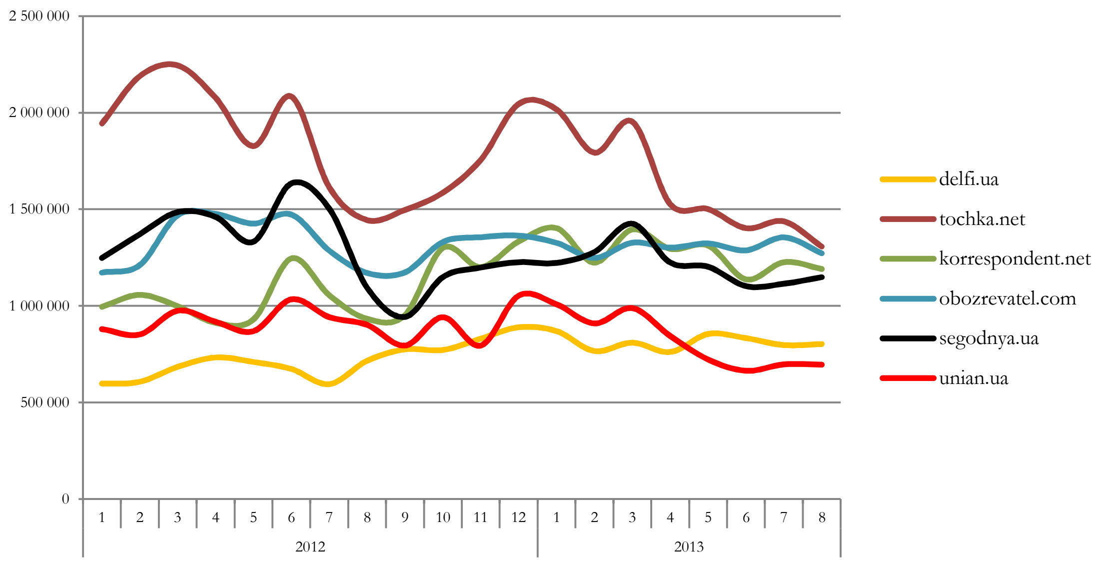
GemiusAudience monthly audience survey

Among Lithuanian internet users, Delfi Lithuania remains a clear market leader and continues to have more than a million unique users a month. From the 2nd quarter of 2012, Delfi has increased the gap with other portals and the number of users of Delfi is 200 thousand higher on a monthly basis. As compared to the 3rd quarter of last year, Delfi has increased the number of regular users by ca. 3%. The use of smaller internet portals shows a modest downward trend, which refers to the fact that users prefer to receive all necessary information and entertainment from one source.

Delfi Ukraine

- Continuance of the strategy launched last year to offer easier and more tabloid-like news.
- Marketing activities to improve the visibility of Delfi in the market.

Ukrainian online readership 2012-2013



GemiusAudience monthly audience survey

The Ukrainian internet market operates in a significantly different manner than that of the Baltic States. As compared to the 2nd quarter of last year, the number of users of Delfi.ua has increased by ca.19%. The Ukrainian internet market is generally characterised by a constant change in various media publications and concepts. The market is not yet fully established, and providers and consumers alike are still developing their preferences.

Periodicals segment

The periodicals segment includes the publishers of newspapers, magazines and books. This segment also includes AS Express Post, engaged in home delivery of periodicals.

(EUR thousand)	Sales			EBITDA		
	Q3 2013	Q3 2012	Change%	Q3 2013	Q3 2012	Change%
AS Eesti Ajalehed	2 484	2 495	0%	35	56	-38%
OÜ Hea Lugu	105	543	-81%	(10)	103	-110%
AS SL Õhtuleht*	904	879	3%	64	58	10%
AS Ajakirjade Kirjastus*	952	916	4%	75	(41)	283%
UAB Ekspress Leidyba	590	632	-7%	(30)	(38)	21%
AS Express Post*	555	532	4%	58	44	32%
intersegment eliminations	(248)	(268)	7%	(3)	0	-
TOTAL	**5 342**	**5 729**	**-7%**	**189**	**182**	**4%**

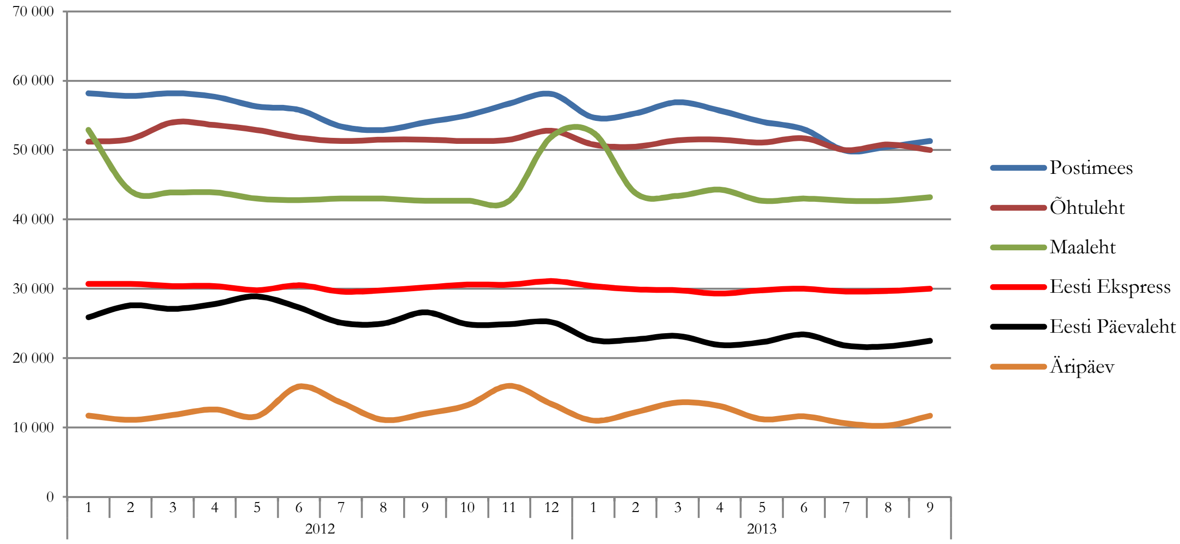
(EUR thousand)	Sales			EBITDA		
	9 months 2013	9 months 2012	Change%	9 months 2013	9 months 2012	Change%
AS Eesti Ajalehed	7 948	8 326	-5%	185	283	-35%
OÜ Hea Lugu	556	1 145	-51%	35	115	-70%
AS SL Õhtuleht*	2 769	2 754	1%	169	193	-12%
AS Ajakirjade Kirjastus*	2 900	3 010	-4%	97	(57)	270%
UAB Ekspress Leidyba	1 869	1 987	-6%	(32)	(110)	71%
AS Express Post*	1 747	1 712	2%	207	173	20%
intersegment eliminations	(757)	(819)	8%	(3)	(2)	-
TOTAL	**17 032**	**18 115**	**-6%**	**658**	**595**	**11%**

*Proportionate share of joint ventures

The 3rd quarter of 2013 is characterised by the continued recession in the advertising market of printed newspapers. However, the advertising volumes of magazines have increased in the 3rd quarter, giving assurance about the future. LP and Eesti Päevaleht launched a new series of detective novels in August. At the beginning of October, a DVD series of children's movies sold together with Eesti Ekspress was launched. The website and mobile application of SL Õhtuleht received a facelift in the 3rd quarter. Ajakirjade Kirjastus and SL Õhtuleht started cooperation regarding the sale of their online advertising spaces. From July, a new magazine targeting men "Kalale" (*Let's Go Fishing*) was launched. The recipes of Toidutare.ee are also now available as a standalone application. From 1 July, Ajakirjade Kirjastus has moved to the new premises in Kalamaja district in Tallinn.

Strong growth in the number of subscribers and users of digital newspapers continues. The number of digital subscriptions of Eesti Päevaleht and Eesti Ekspress doubled compared to previous year and increased by 40% as compared to last quarter, reaching 5 thousand subscriptions in respect of both edition.

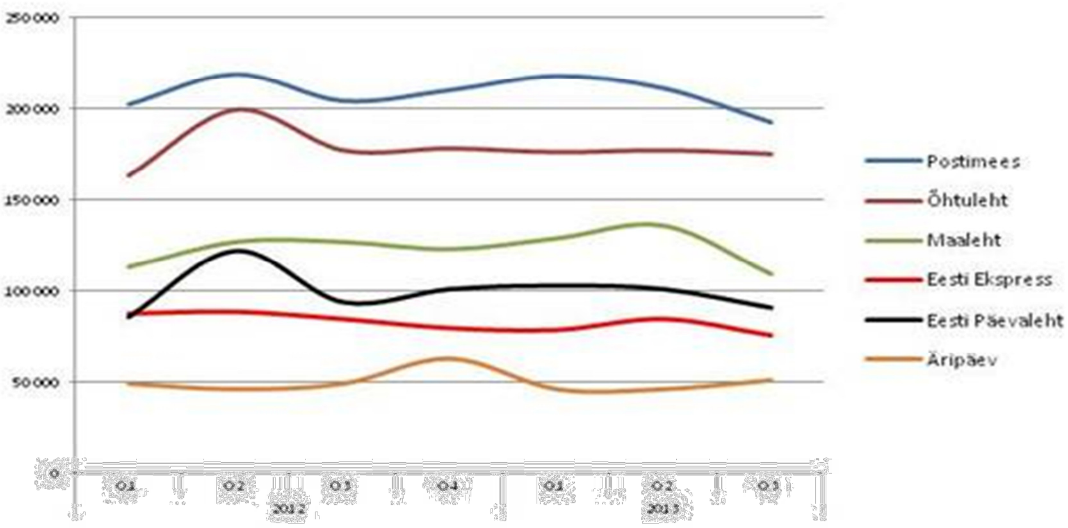
Estonian newspaper circulation 2012-2013



Estonian Newspaper Association data

Circulations of Estonian newspapers remain stable or are slightly decreasing. The circulation of daily newspapers has been falling more than that of weekly newspapers. The Estonian market is inevitably following the global trends of consumers migrating from printed newspapers to digital channels. A sharp decrease in the circulation of Postimees is surprising, leading to a situation where Õhtuleht was the newspaper with the largest circulation in Estonia in July and August. Other newspapers have been able to maintain their circulations. In addition, the number of subscribers of digital newspapers of the Group has increased significantly in the 3rd quarter, reaching the level of 5 000 subscribers per publication. The investments made into digital newspapers over the last three years have started to yield positive results and it has already become a remarkable source of revenue in addition to printed newspapers.

Estonian newspaper readership 2012-2013



Turu-uuringute AS

The number of readers of all major newspapers decreased in the 3 rd quarter of 2013 compared to the same period last year. The exception was Äripäev, whose number of readers increased by 4%. Among daily newspapers in annual comparison the number of readers of Postimees decreased the most (-18 000 readers) and the number of readers of Õhtuleht decreased the least (-3 000 readers). As this survey measures only the number of readers of printed newspapers, the number of readers of digital newspapers of the Group is excluded. If to take into consideration the fast growth of the number of subscribers of digital newspapers of Eesti Päevaleht and Eesti Ekspress during this year, then the number of readers of those publications has increased compared to last year same period. Since there is no clearly accepted methodology and service provider to measure the readership of digital publications, and as competitors have not so far made considerable efforts to produce digital publications, the readership of all publications can not be measured only according to those graphs.

Printing services segment

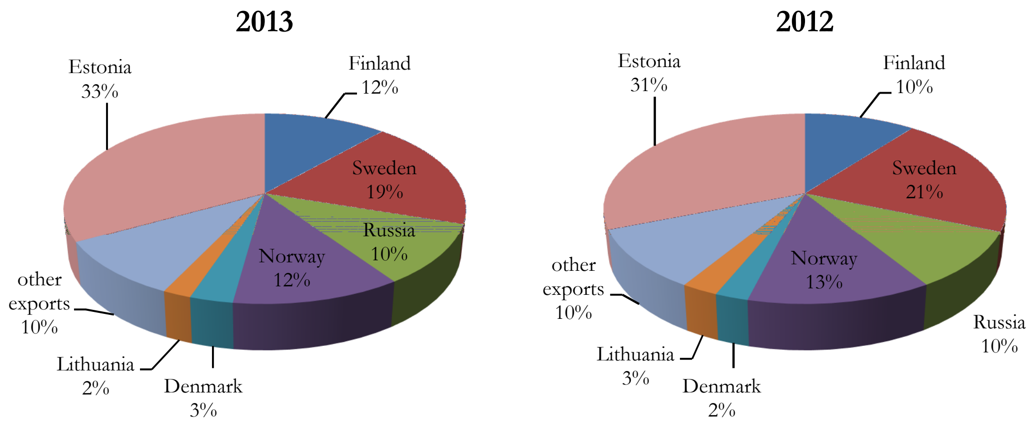
All printing services of the Group are provided by AS Printall which is one of the largest printing companies in Estonia. Printall is able to print both newspapers (coldset) and magazines (heatset).

(EUR thousand)	Sales			EBITDA		
	Q3 2013	Q3 2012	Change %	Q3 2013	Q3 2012	Change %
AS Printall	6 147	6 263	-2%	1 245	1 310	-5%

(EUR thousand)	Sales			EBITDA		
	9 months 2013	9 months 2012	Change %	9 months 2013	9 months 2012	Change %
AS Printall	19 896	21 121	-6%	4 258	4 402	-3%

Due to operation of heatset machines at maximum production capacity levels during the peak season, it is becoming increasingly more difficult to grow sales. A decrease in circulations also has a negative impact, its compensation and replacement by new clients is a long-term process due to the specific nature of the printing industry. Despite the total segment revenue decreasing by 2%, the pure printing services have increased by 1.1%.

Geographical break-down of printing services by year



Printing services and the environment

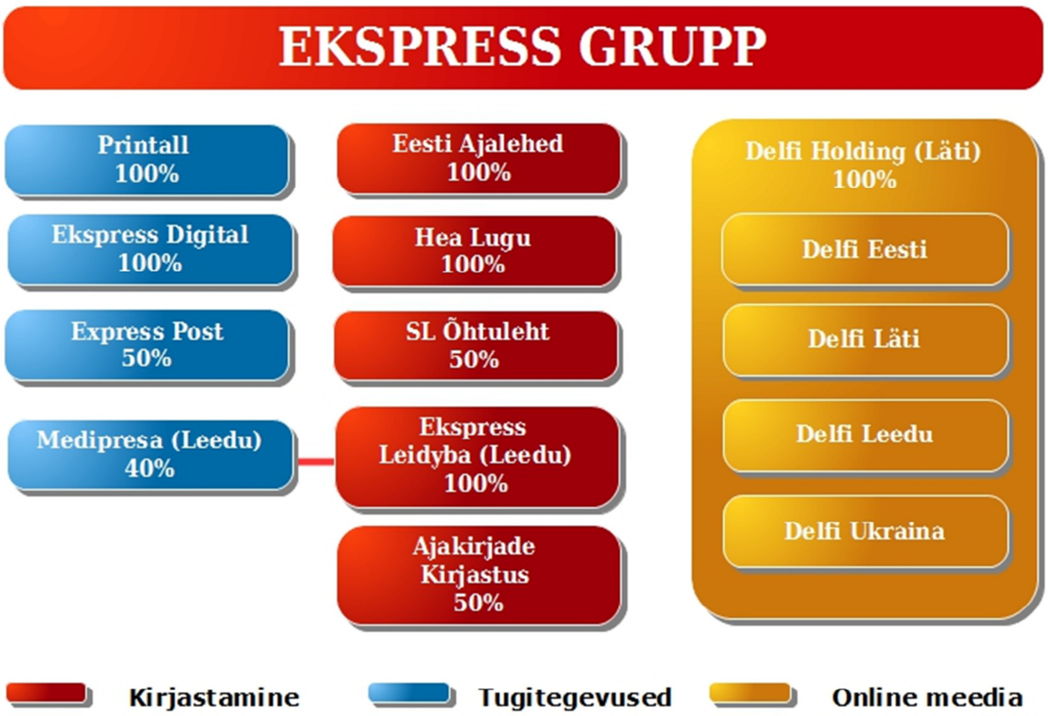
In addition to its very strong financial position, Printall also focuses on environmentally conscious production. In 2012, Printall was granted ISO 9001 management and ISO 14001 environmental certificates.

The Minister of the Environment of the Republic of Estonia and the waste managing company AS Ragn-Sells awarded Printall with the title of the Top Recycler of the Year, because the company recycles 95% of its waste.

The Nordic Council of Ministers has awarded Printall with the environmental label "The Nordic Ecolabel", used to acknowledge the companies in the Nordic countries that use environmentally efficient production. Printall also has FSC and PEFC Chain of Custody (COC) certificates, which the company uses to promote a green way of thinking in the printing industry. Both of those certificates indicate compliance with monitoring and product production process requirements which are issued to businesses that comply with the requirements established by the FSC (Forest Stewardship Council) and the PEFC (Programme for the Endorsement of Forest Certification). A business that is issued these certificates helps to support the environmentally friendly, socially fair and economically viable management of the world's forests.

Printall cares about the environment and uses green energy. The POWERED BY GREEN certificate is a proof that the company buys electricity, 70% of which has been generated by renewable sources of energy.

GROUP STRUCTURE



For a more detailed list of all legal persons of the Group, please refer to Note 1 to the interim financial statements.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 30.09.2013, the company's share capital is EUR 17 878 105 and it consists of 29 796 841 shares with the nominal value of EUR 0.60 per share.

As of 31.12.2012 and 31.12.2011, the company's share capital was EUR 17 878 105 and it consisted of 29 796 841 shares with the nominal value of EUR 0.60 per share.

The General Meeting of Shareholders held on 30 May 2011 approved the conversion of share capital from Estonian kroons into euros, as a result of which the nominal value of a share was lowered from EUR 0.64 to EUR 0.60. The total number of shares did not change, but the share capital was reduced by EUR 1 165 548.

As of 31.12.2010, the company's share capital was EUR 19 043 652 and it consisted of 29 796 841 shares with the nominal value of EUR 0.64 per share. In May 2010, 8 948 000 new shares were issued at the price of EUR 0.88 per share of which EUR 0.24 per share was share premium.

All shares are of one type and there are no ownership restrictions. The company does not have any shares granting specific controlling rights and the company lacks information about agreements dealing with the restrictions on voting rights of shareholders. The articles of association of the public limited company set no restrictions on the transfer of the shares of the public limited company. The agreements entered into between the public limited company and the shareholders set no restrictions on the transfer of shares. In the agreements concluded between the shareholders, they are only known to the company to the extent related to pledging of securities and that is public information.

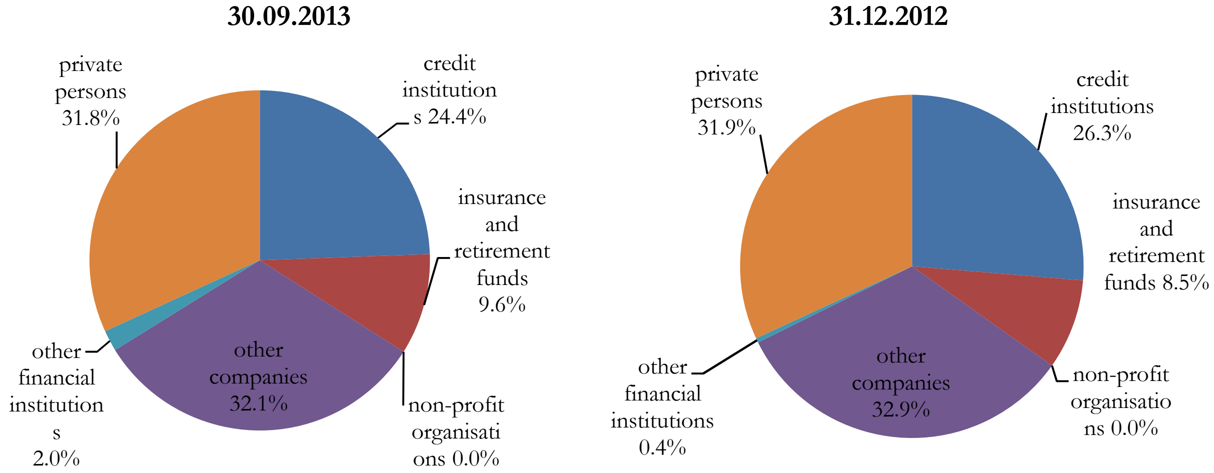
Structure of shareholders as of 30.09.2013 according to the Estonian Central Register of Securities

Name	Number of shares	%
Hans Luik	16 580 032	55,64%
Hans Luik	*7 963 307*	*26,73%*
Hans Luik, OÜ HHL Rühm	*8 609 825*	*28,90%*
Hans Luik , OÜ Minigert	*6 900*	*0,02%*
ING Luxembourg S.A.	4 002 052	13,43%
Skandinaviska Enskilda Banken Ab Clients	2 767 198	9,29%
Funds managed by LHV Pank and LHV Varahaldus	2 039 441	6,84%
Members of the Management and Supervisory Boards and their close relatives	39 764	0,13%
Viktor Mahhov, OÜ Flexinger	*37 464*	*0,13%*
Aavo Kokk, OÜ Synd & Katts	*400*	*0,00%*
Pirje Raidma, OÜ Aniston Trade	*1 900*	*0,01%*
Other minority shareholders	4 368 354	14,66%
Total	**29 796 841**	**100%**

East Capital Asset Management AB has an ownership interest through the nominee account of Skandinaviska Enskilda Banken Ab Clients. KJK Fund SICAV-SIF has an ownership interest in the company through the account of ING Luxembourg S.A.

Distribution of shareholders by category according to the Estonian Central Register of Securities

Category	30.09.2013		31.12.2012	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Credit institutions	16	7 277 684	18	7 841 161
Insurance and retirement funds	11	2 856 692	9	2 530 125
Other financial institutions	69	598 695	31	123 961
Other companies	301	9 576 637	367	9 799 242
Private persons	3 206	9 486 714	3 305	9 501 933
Non-profit organisations	2	419	2	419
TOTAL	**3 605**	**29 796 841**	**3 732**	**29 796 841**



AS Ekspress Grupp share information and dividend policy

Share information

ISIN	EE3100016965
Ticker symbol	EEG1T
List/segment	BALTIC MAIN LIST
Issuer	Ekspress Grupp (EEG)
Nominal value	EUR 0.60
Issued shares	29 796 841
Listed shares	29 796 841
Date of listing	05.04.2007
Market maker	Finasta Investment Bank

By virtue of the conditions laid down in the Group's loan agreements, payment of dividends to shareholders in previous years was limited. As a result of the refinancing of the syndicated loan contract signed in July 2012, it is now possible to pay dividends to shareholders if certain ratios are met. Payment of dividends is decided annually and it depends on the company's results and potential investment needs. The share of AS Ekspress Grupp should be considered as a growth share.

At the General Meeting of Shareholders held on 24 May 2013, the payment of dividends for the year 2012 was approved in the amount of 1 cent/share in the total amount of EUR 298 thousand. Dividends were paid on 1 October.

The table below shows the stock trading history 2010-2013

Price (EUR)	9 months 2013	9 months 2012	9 months 2011	9 months 2010
Opening price	1.06	1.03	1.53	1.03
Closing price	1.19	1.02	1.02	1.42
High	1.22	1.18	1.84	1.48
Low	1.03	0.96	0.95	0.80
Average	1.12	1.05	1.45	1.15
Traded shares, pcs	1 198 856	802 537	2 573 753	2 393 211
Sales, mln	1.34	0.84	3.73	2.74
Capitalisation at balance sheet date, million	35.46	30.39	30.30	37.70

The share price in euros and the trading statistics on OMX Tallinn Stock Exchange from 1 January 2009 until 30 September 2013.

The share price comparison with OMX Tallinn Stock Exchange index from 1 January 2009 until 30 September 2013

SUPERVISORY BOARD AND MANAGEMENT BOARD OF AS EKSPRESS GRUPP

The Supervisory Board of AS Ekspress Grupp has six members: Chairman of the Supervisory Board Viktor Mahhov and members of the Supervisory Board Aavo Kokk, Hans Luik, Harri Helmer Roschier, Ville Jehe and Kari Sakari Salonen.

Information about members of the Supervisory Board:

Viktor Mahhov
- Chairman of the Supervisory Board since 2006
- Completed graduate studies in economics at St. Petersburg University in 1992

Aavo Kokk
- Member of the Supervisory Board since 2010
- Management partner of Catella Corporate Finance OÜ
- Graduated from University of Tartu in 1990 with a degree in journalism

Hans H. Luik
- Member of the Supervisory Board since 2004
- Member of the Management Board of OÜ HHL Rühm
- Member of the Management Board of OÜ Minigert
- Graduated from University of Tartu in 1984 with a degree in journalism

Harri Helmer Roschier
- Member of the Supervisory Board since 2007
- Managing Director of Talentum Oy in 1991-2006
- Member of the Supervisory Board of Avaus Consulting OY and Uoma Oy
- Completed graduate studies in economics

Ville Jehe
- Member of the Supervisory Board since 2008
- Member of the Management Board of OÜ Majatohter, OÜ Catelit, ABC Kinnisvarateenuste OÜ, Cineunit OÜ, OÜ Primevision, OÜ Keha3, Ümera OÜ and Skü Mechatronics OÜ
- Graduated from Faculty of Automation of Tallinn University of Technology in 1993

Kari Sakari Salonen
- Member of the Supervisory Board since 2012
- Member of the Management Board of KJK Management SA
- Member of the Supervisory Board of KJK Capital OY
- Graduated from Espoo School of Economics in 1983

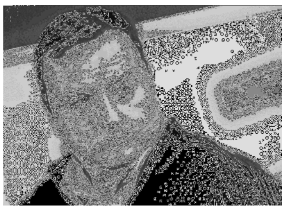
Management Board

Since April 2013, the Management Board of AS Ekspress Grupp has three members: Chairman of the Management Board Gunnar Kobin and members of the Management Board Pirje Raidma and Andre Veskimeister. In April, Madis Tapupere was recalled from the Management Board; he is Chairman of the Management Board and General Manager of the subsidiary OÜ Ekspress Digital.

Information about the members of the Management Board:

Gunnar Kobin
- Chairman of the Management Board since 2009
- CEO of the Group
- City Chairman of the Management Board of AS Ülemiste in 2005-2008
- Graduated from Tallinn University of Technology in 1993, specialising in production planning and management

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



Pirje Raidma
- Member of the Management Board since 2010
- Chief Financial Officer of the Group
- Auditor at auditing company PwC (worked in Estonia and the Channel Islands) in 1997 - 2005
- Finance and Administrative Director of LHV Group in 2005 - 2006
- Finance and Administrative Director of the investment bank GILD Bankers in 2006 - 2010
- Graduated from University of Tartu in 1996 with a degree in international economy
- Certified Auditor and fellow of the Association of Chartered Certified Accountants, FCCA

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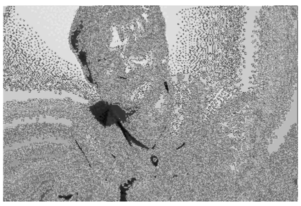

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)

(EUR thousand)	30.09.2013	31.12.2012
ASSETS		
Current assets		
Cash and cash equivalents	2 408	3 182
Trade and other receivables	7 081	7 344
Inventories	2 527	2 922
Total	**12 016**	**13 448**
Non-current assets held for sale	77	97
Total current assets	**12 093**	**13 545**
Non-current assets		
Term deposit	98	98
Trade and other receivables	243	228
Deferred income tax assets	137	137
Property, plant and equipment (Note 5)	13 940	14 841
Intangible assets (Note 5)	51 493	51 450
Total non-current assets	**65 911**	**66 754**
TOTAL ASSETS	**78 004**	**80 299**
LIABILITIES		
Current liabilities		
Borrowings (Note 6)	3 703	4 347
Trade and other payables	9 353	10 498
Corporate income tax liability	5	122
Total current liabilities	**13 061**	**14 967**
Non-current liabilities		
Long-term borrowings (Note 6)	21 555	24 233
Deferred income tax liability	84	0
Total non-current liabilities	**21 639**	**24 233**
Total liabilities	**34 700**	**39 200**
EQUITY		
Share capital (Note 9)	17 878	17 878
Share premium	14 277	14 277
Reserves (Note 9)	866	740
Retained earnings	10 256	8 190
Currency translation reserve	27	14
TOTAL EQUITY	**43 304**	**41 099**
TOTAL LIABILITIES AND EQUITY	**78 004**	**80 299**

The Notes presented on pages 29-42 form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q3 2013	Q3 2012	9 months 2013	9 months 2012
Sales revenue	12 977	13 278	41 901	43 260
Cost of sales	(10 477)	(10 600)	(32 806)	(33 987)
Gross profit	**2 500**	**2 678**	**9 095**	**9 273**
Marketing expenses	(532)	(559)	(1 651)	(1 610)
Administrative expenses	(1 394)	(1 537)	(4 421)	(4 837)
Other expenses	(27)	(28)	(84)	(130)
Other income	171	122	360	405
Operating profit	**718**	**676**	**3 299**	**3 101**
Interest income	1	0	5	5
Interest expense	(204)	(301)	(578)	(1 343)
Other finance income/costs	(47)	(75)	(69)	(105)
Net finance cost	**(250)**	**(376)**	**(642)**	**(1 443)**
Profit (loss) on shares of associates	4	(3)	0	(34)
Profit (loss) before income tax	**472**	**297**	**2 657**	**1 624**
Income tax expense	(17)	(34)	(167)	(211)
Net profit (loss) for the reporting period	**455**	**263**	**2 490**	**1 413**
Net profit (loss) for the reporting period attributable to:				
Equity holders of the parent company	455	263	2 490	1 413
Other comprehensive income (expense)				
Currency translation differences	24	15	13	2
Profit (loss) on change in value of a hedging instrument	0	46	0	176
Total other comprehensive income for the period	**24**	**61**	**13**	**178**
Comprehensive income (expense) for the reporting period	**479**	**324**	**2 503**	**1 591**
Attributable to equity holders of the parent company	479	324	2 503	1 591
Basic and diluted earnings per share (Note 8)	0.02	0.01	0.08	0.05

The Notes presented on pages 29-42 form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity (unaudited)

(EUR thousand)	Share capital	Share premium	Reserves	Currency translation reserve	Retained earnings	Total equity
Balance on 31.12.2011	**17 878**	**14 277**	**480**	**4**	**5 749**	**38 388**
Increase in statutory legal reserve	0	0	84	0	(84)	**0**
Net profit (loss) for the reporting period	0	0	0	0	1 413	**1 413**
Other comprehensive income (expense)	0	0	176	2	0	**178**
Total comprehensive income (expense) for the reporting period	*0*	*0*	*176*	*2*	*1 413*	***1 591***
Balance on 30.09.2012	**17 878**	**14 277**	**740**	**6**	**7 078**	**39 979**
Balance on 31.12.2012	**17 878**	**14 277**	**740**	**14**	**8 190**	**41 099**
Increase in statutory legal reserve	0	0	126	0	(126)	**0**
Dividends	0	0	0	0	(298)	**(298)**
Profit (loss) for the reporting period	0	0	0	0	2 490	**2 490**
Other comprehensive income (expense)	0	0	0	13	0	**13**
Total comprehensive income (expense) for the reporting period	*0*	*0*	*0*	*13*	*2 490*	***2 503***
Balance on 30.09.2013	**17 878**	**14 277**	**866**	**27**	**10 256**	**43 304**

The Notes presented on pages 29-42 form an integral part of the consolidated financial statements.

Consolidated cash flow statement (unaudited)

(EUR thousand)	9 months 2013	9 months 2012
Cash flows from operating activities		
Operating profit (loss) for the reporting period	3 299	3 101
Adjustments for:		
Depreciation, amortisation and impairment (Note 5)	1 930	2 534
Gain (loss) on sale and write-downs of property, plant and equipment	(2)	27
Cash flows from operating activities:		
Trade and other receivables	240	(76)
Inventories	434	409
Trade and other payables	(1 315)	(2 273)
Cash generated from operations	**4 586**	**3 722**
Income tax paid	(257)	(90)
Interest paid	(578)	(1 343)
Net cash generated from operating activities	**3 751**	**2 289**
Cash flows from investing activities		
Purchase of other financial investments	(15)	(15)
Acquisition of subsidiary (Note 4)	(334)	0
Interest received	5	5
Purchase of property, plant and equipment (Note 5)	(756)	(584)
Proceeds from sale of property, plant and equipment	19	37
Loans granted	(3)	(1)
Loan repayments received	5	182
Net cash generated from investing activities	**(1 079)**	**(376)**
Cash flows from financing activities		
Finance lease repayments made	(10)	(390)
Change in use of overdraft	(745)	1 347
Repayments of borrowings	(2 691)	(2 857)
Net cash used in financing activities	**(3 446)**	**(1 900)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(774)**	**13**
Cash and cash equivalents at the beginning of the period	3 182	2 729
Cash and cash equivalents at the end of the period	2 408	2 742

The Notes presented on pages 29-42 form an integral part of the consolidated financial statements.

SELECTED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1. General information

The main fields of activity of AS Ekspress Grupp and its subsidiaries include online media, publishing of newspapers, magazines and books, and provision of printing services.

AS Ekspress Grupp (registration number 10004677, address: Narva mnt.11E, 10151 Tallinn) is a holding company registered and operating in the Republic of Estonia. The Group consists of the subsidiaries, joint ventures and associates listed below.

These interim financial statements were approved and signed by the Management Board 1 November 2013.

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

Company name	Status	Ownership interest 30.09.2013	Ownership interest 31.12.2012	Main field of activity	Domicile
Operating segment: corporate functions					
AS Ekspress Grupp	Parent Company			Holding company and support services	Estonia
OÜ Ekspress Digital	Subsidiary	100%	100%	Provision of IT services	Estonia
OÜ Ekspress Finance	Subsidiary	100%	100%	Provision of financing for the Group	Estonia
Operating segment: periodicals					
AS Eesti Ajalehed	Subsidiary	100%	100%	Publishing of daily and weekly newspapers	Estonia
OÜ Hea Lugu	Subsidiary	100%	100%	Book publishing. From January 2013 fully owned by the parent. Previously, subsidiary of AS Eesti Ajalehed	Estonia
UAB Ekspress Leidyba	Subsidiary	100%	100%	Magazine publishing	Lithuania
Medipresa UAB	Associate	40%	40%	Periodicals' wholesale distribution	Lithuania
AS SL Õhtuleht	Joint venture	50%	50%	Newspaper publishing	Estonia
AS Ajakirjade Kirjastus	Joint venture	50%	50%	Magazine publishing	Estonia
AS Express Post	Joint venture	50%	50%	Periodicals' home delivery	Estonia
Operating segment: online media					
SIA Delfi Holding	Subsidiary	100%	100%	Management of online media subsidiaries	Latvia
AS Delfi	Subsidiary	100%	100%	Online media	Latvia
Cālis LV SIA	Subsidiary	100%	-	Online media (acquired in July 2013)	Latvia
Delfi AS	Subsidiary	100%	100%	Online media	Estonia
Saarmann Meedia OÜ	Subsidiary	0%	100%	Merged with AS Delfi (Estonia) 11.03.2013	Estonia
Delfi UAB	Subsidiary	100%	100%	Online media	Lithuania
TOV Delfi	Subsidiary	100%	100%	Online media	Ukraine
Operating segment: printing services					
AS Printall	Subsidiary	100%	100%	Printing services	Estonia

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for 9 months ended 30.09.2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements should be read together to the annual report for the financial year ended 31.12.2012.

The Management Board estimates that the interim consolidated financial statements for 9 months of 2013 present a true and fair view of the Group's operating results, and all group companies are going concerns. These interim financial statements have neither been audited nor reviewed in any other way by auditors. These consolidated interim financial statements are presented in thousands of euros, unless otherwise indicated.

Note 3. Financial risk management

The management of financial risks is an essential and integral part in managing the business processes of the Group. The ability of the management to identify, measure and verify different risks has a substantial impact on the profitability of the Group. The risk is defined by the management of the Group as a possible negative deviation from the expected financial performance.

Several financial risks are related to the activities of the Group, of which the more substantial ones include credit risk, liquidity risk, market risk (including foreign exchange risk, interest rate risk and price risk), operational risk and capital risk.

The risk management of the Group is based on the requirements established by the Tallinn Stock Exchange, Financial Supervision Authority and other regulatory bodies, compliance with the generally accepted accounting standards and good practice, internal regulations and policies of the Group and its subsidiaries. The management of risks at the Group level includes the definition, measurement and control of risks. The Group's risk management programme focuses on unpredictability of financial markets and finding of possibilities to minimise the potential negative impacts arising from this on the Group's financial activities.

The main role upon the management of risks is vested in the management boards of the Parent and its subsidiaries. The Group assesses and limits risks through systematic risk management. For managing financial risks, the management of the Group has engaged the financial unit of the Group that deals with the financing of the Parent Company and its subsidiaries and hence also managing of liquidity risk and interest rate risk. The risk management at the joint ventures within the Group is performed in cooperation with the other shareholder of joint ventures.

Credit risk

Credit risk is expressed as a loss which may be incurred by the Group and is caused by the counterparty if the latter fails to perform its contractual financial obligations.

Credit risk arises from cash and bank, trade receivables, other short-term receivables and loans granted.

Since the Group invests available liquid funds in the banks with the credit rating of "A" they do not expose the Group to substantial credit risk.

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

Bank name	Moody`s	Standard & Poor`s	30.09.2013	31.12.2012
SEB	A1	A+	333	332
Swedbank	A2	A+	1 996	2 823
Nordea/Danske	Aa3/Baa1	A-/AA-	112	83
Other banks	-	-	48	11
Total			**2 489**	**3 251**

The banks' latest long-term credit rating, which was shown on the bank's website, is used.

The payment discipline of clients is continuously monitored to reduce credit risk, a credit policy has been established to ensure the sale or services to clients with an adequate credit history and the application of prepayments to clients in a higher risk category. According to the credit policy, different client groups are subject to different payment terms, credit limits and potential payment holidays. Clients are classified on the basis of their size, reputation, and the results of credit background checks and history of payment behaviour. At the first level, the advertising clients are divided into two groups: advertising agencies and direct clients, they are further grouped according to the above principles. The Group applies the same credit policy in all Baltic States, but is aware of different credit behaviour of clients. While in Estonia invoices are generally paid when due, the usual practice in Latvia and Lithuania is to pay invoices 1-3 months past their due date and not to consider it as a violation of the credit discipline.

In the case of new clients, their credit background is checked with the help of financial information databases such as Krediidiinfo and other similar databases. Their payment behaviour is also initially monitored with heightened interest. Upon following the payment discipline, it is possible to receive more flexible credit terms, such as longer payment terms, higher credit limits, etc. Upon violation of the payment discipline, stricter credit terms are applied. In addition, the companies in the periodicals segment use a programme that provides information to major media companies about their debtors.

In case of large transactions, in particular in the segment of printing services, clients are requested to provide security, including surety.

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

The Group's management has an opinion that credit risk is still high in a current economic situation and therefore, credit risk management remains a high-priority area. As a specific measure, the credit policies at the group companies have been harmonised and they have been made stricter. A regular reporting routine in respect of accounts receivable has been established, enabling the Group's management to receive immediate information and if necessary, to interfere.

Liquidity risk

Liquidity risk means that the Group may not have liquid funds to fulfil its financial obligations in a timely manner.

The objective of the Group is to maintain a balance between the financial need and financial possibilities of the Group. Cash flow planning is used as a means to manage the liquidity risk. To manage liquidity risk as effectively as possible, the bank accounts of the Parent Company and its subsidiaries comprise one group account (cash pool) which enables the members of the group account to use the finances of the Group within the limit established by the Parent Company. The group account operates in Estonia, but foreign subsidiaries in Latvia and Lithuania are also part thereof. According to the policy of the Group, all group companies prepare long-term cash flow forecast for the next year which are updated quarterly. For monitoring short-term cash flows the subsidiaries that have joined the group account prepare detailed eight week cash flow projections on a weekly basis.

To manage the liquidity risk, the Group uses different financing sources which include bank loans, overdraft, continuous monitoring of trade receivables and delivery contracts.

Overdraft credit is used to finance working capital, long-term bank loans and finance lease agreements are used to make capital expenditures to acquire non-current assets. The Group has high leverage; therefore, liquidity risk management is one of the priorities of the Group.

Interest rate risk

Interest rate risk means that a change in interest rates results in a change in the cash flow and profit of the Group. The interest rates of loans granted and assumed by the Group are mainly tied to Euribor.

The Group's interest rate risk is related to short-term and long-term borrowings which have been assumed with a floating interest rate. The interest rate risk is mainly related to the fluctuation of Euribor. An interest rate change by 1 percentage point would change the Group's loan interest expense by ca. 250 thousand euros per year.

Type of interest	Interest rate	30.09.2013 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1-month Euribor + 2.5%	Syndicated loan (*Parent Company*)	3 504	15 839	19 343
	1-month Euribor + 2.5%	Syndicated loan *(Printall)*	159	5 642	5 801
	1-month Euribor + 2.3%	Finance lease *(Printall)*	40	74	114
	1-month Euribor + 1.9%	Overdraft	0	0	0

Type of interest	Interest rate	31.12.2012 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1-month Euribor + 2.5%	Syndicated loan (*Parent Company*)	2 972	18 118	21 090
	1-month Euribor + 2.5%	Syndicated loan	630	6 115	6 745
	1-month Euribor + 1.9%	Overdraft	745	0	745

As of 30.09.2013, the Group has no derivative financial instruments to manage interest risk.

Between September 2008 and September 2012, the Group entered into interest rate swap contracts with the banks that issued the syndicated loan in order to hedge fluctuations of Euribor totalling half of the loan amount. On the basis of the interest rate swap contract, the Group makes fixed interest payments of 4.3%, receiving interest payments that have been calculated on the basis of 6-month Euribor in return. Interest payments and reduction in nominal amounts occur twice a year, at the beginning of March and September. At the same dates, the interest rate of the syndicated loan is refixed, the latter being also 6-month Euribor.

Beginning of period	End of period	Nominal amount used for calculation (EUR thousand)
1.09.2011	1.03.2012	10 375
1.03.2012	3.09.2012	8 767

Foreign exchange risk

The Group's operating activities have an international dimension and therefore, the Group is exposed to foreign exchange risk to a certain degree. Foreign exchange risk arises when future business transactions or recognised assets or liabilities are fixed in a currency which is not the functional currency of the Group. Group companies are required to manage their foreign exchange risk with regard to functional currency. The Group's income is primarily fixed in local currencies, i.e. the euros, Lithuanian litas, Latvian lats and Ukrainian hryvnias. The Group also pays most of its suppliers and employees in local currencies. The subsidiaries are typically required to use the euro as the currency in foreign contracts. The subsidiary Printall exports also to non-EU countries and it also earns revenue in Russian roubles, Norwegian kroner and Swedish kronor. The amounts received are typically converted into euros immediately after their receipt, thereby reducing open foreign currency positions. Although Russian clients pay in currencies other than the euro, the invoices for the goods and services are denominated in euros and thus carry no foreign currency risk. With regard to other foreign currencies, ca. 3-8% of the Group's sales carry foreign currency risk. No other means are used for hedging foreign exchange risk.

Financial assets and financial liabilities by currency as of 30.09.2013.

(EUR thousand)	EUR	LTL	LVL	UAH	SEK	Other currencies	TOTAL
Assets							
Cash and cash equivalents	1 887	364	155	2	0	0	**2 408**
Trade and other receivables	4 558	1 538	514	31	187	38	**6 867**
Term deposit	0	98	0	0	0	0	**98**
Total financial assets	**6 445**	**2 000**	**669**	**33**	**187**	**38**	**9 373**
Liabilities							
Borrowings	25 258	0	0	0	0	0	**25 258**
Trade payables and accrued expenses	5 451	691	335	27	9	26	**6 539**
Total financial liabilities	**30 709**	**691**	**335**	**27**	**9**	**26**	**31 797**
Net foreign currency position	**(24 264)**	**1 309**	**335**	**6**	**178**	**13**	

Financial assets and financial liabilities by currency as of 31.12.2012.

(EUR thousand)	EUR	LTL	LVL	UAH	SEK	Other currencies	TOTAL
Assets							
Cash and cash equivalents	2 633	394	150	6	0	0	**3 182**
Trade and other receivables	4 942	1 461	571	38	354	56	**7 422**
Term deposit	0	98	0	0	0	0	**98**
Total financial assets	**7 574**	**1 953**	**722**	**44**	**354**	**56**	**10 703**
Liabilities							
Borrowings	28 580	0	0	0	0	0	**28 580**
Trade payables and accrued expenses	6 434	688	336	17	24	12	**7 512**
Total financial liabilities	**35 014**	**688**	**336**	**17**	**24**	**12**	**36 091**
Net foreign currency position	**(27 440)**	**1 265**	**386**	**26**	**330**	**43**	

Price risk

The management estimates that price risk does not have any substantial impact on the activities of the Group, because the company does not have any substantial investments in equity instruments.

Of the price risk related to raw materials, the price of paper affects the activities of the Group the most. In a situation where the majority of paper used in the production is purchased directly from producers at the base price without any commissions and the price is fixed for half a year in advance, and given that the volume of paper in the international scale is insignificant, the Group does not use derivative instruments to hedge the paper price risk.

Operational risk

Operational risk is a possible loss caused by insufficient or non-functioning processes, employees and information systems or external factors.

The involvement of employees in the risk assessment process improves the general risk culture. For performing transactions, systems of transaction limits and competences are used to minimise possible losses. The four-eye principle in use, under which the confirmation of at least two employees independent of each other or that of a unit is necessary for the performance of a transaction or a procedure, reduces the possible occurrence of human errors and mistakes.

The management estimates that the dependence of the Group's activities on IT systems is higher than average and continuous investments are made to increase its security and reliability. The responsibility for managing operational risk lies with the Management Board of the Group and the management boards of subsidiaries.

Capital risk

The main objective of the Group upon managing capital risk is to ensure the sustainability of the Group in order to ensure income for its shareholders and benefits for other stakeholders, while maintaining the optimal capital structure in order to reduce the price of capital.

According to the practice common in the industry, the Group uses the debt to capital ratio to monitor capital. The debt to capital ratio is calculated as the ratio of net debt to total capital. Net debt is calculated by deducting cash and bank accounts from total debt (short and long-term interest bearing liabilities recognised in the consolidated balance sheet). Total capital is recognised as the aggregate of equity and net debt. The ratio of equity to total assets (one of criteria measured quarterly according to syndicated loan contract) is also monitored. During the year the equity ratio of the Group has been in compliance with conditions set in the syndicate loan contract.

Equity ratios of the Group

(EUR thousand)	30.09.2013	31.12.2012
Interest-bearing debt	25 258	28 580
Cash and bank accounts	2 506	3 280
Net debt	22 752	25 300
Equity	43 304	41 099
Total capital	66 056	66 399
Debt to capital ratio	**34%**	**38%**
Total assets	78 004	80 299
Equity ratio	**56%**	**51%**

Note 4. Business combinations

In October 2012, Lithuanian companies Delfi UAB and UAB Alio concluded a contract for acquisition of classified ads portal and newspaper on 1 November 2012 that operates in the Lithuanian market under one of the oldest and best-known brand names *Alio reklama*. UAB Alio continues its business with other operations under old name. The classified ads business was acquired, including the team of the department which was moved to Delfi. EUR 434 thousand was paid in cash for the transaction. Upon acquisition of Alio the fair value of trademark was recognised in the amount of EUR 102 thousand by the management and goodwill arose in the amount of EUR 332 thousand, the allocation of which can be adjusted by the management within one year.

In May 2013, AS Delfi (Latvia) and Nextmedia Baltic OÜ signed a share sale and purchase agreement, under which Delfi Latvia acquired a 100% ownership interest in SIA Cālis.lv, which operates the portal Cālis.lv. Cālis.lv is the most popular online Internet site in Latvia, targeting expecting and young mothers. The transaction was completed in July and a total of LTL 235 thousand (ca EUR 334 thousand) was paid for it. The Group's management estimated that the fair value of the trademark acquired upon acquisition of SIA Cālis.lv was EUR 66 thousand and goodwill was EUR 266 thousand. The management has the right to review its allocation within one year.

The table below presents an overview of acquired identifiable assets and liabilities at the time of acquisition. For preparation of the purchase analysis, the balance sheet of Alio as of 31 October 2012 and the balance sheet of Cālis LV as of 31 March 2013 were used as the basis.

(EUR thousand)	Alio		Cālis LV SIA	
	Fair value	Carrying amount	Fair value	Carrying amount
Net assets	0	0	2	2
Trademark	102	0	66	0
Total identifiable assets	**102**	**0**	**68**	**2**
Goodwill	**332**		**266**	
Cost of acquired ownership interest	434		334	
Cash paid for ownership interest	434		334	
Cash and cash equivalents in acquired company	0		0	
Total cash effect on the company	**(434)**		**(334)**	

Note 5. Property, plant and equipment and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	9 months 2013	9 months 2012	9 months 2013	9 months 2012
Balance at beginning of the period				
Cost	29 590	30 376	57 591	57 519
Accumulated depreciation and amortisation	(14 749)	(13 625)	(6 141)	(5 549)
Carrying amount	**14 841**	**16 751**	**51 450**	**51 970**
Acquisitions and improvements	544	373	212	211
Disposals (at carrying amount)	(15)	(23)	0	(6)
Write-offs and write-downs of PPE	(1)	(4)	0	(37)
Acquired in business combinations	0	0	333	0
Depreciation and amortisation	(1 430)	(1 660)	(500)	(874)
Exchange rate correction	0	0	(1)	1
Balance at end of the period				
Cost	29 874	30 486	58 120	57 680
Accumulated depreciation and amortisation	(15 934)	(15 049)	(6 627)	(6 414)
Carrying amount	**13 940**	**15 437**	**51 493**	**51 266**

Information about the items of non-current assets pledged as loan collateral is disclosed in Note 6.

Intangible assets by type

(thousand)	EUR	
	30.09.2013	31.12.2012
Goodwill	41 359	41 093
Trademarks	9 393	9 542
Other intangible assets	741	815
Total intangible assets	**51 493**	**51 450**

Carrying amount of trademarks by segment

(thousand)	EUR 30.09.2013	EUR 31.12.2012
Online media	7 234	7 300
Periodicals	2 159	2 242
Total trademarks	**9 393**	**9 542**

Goodwill by cash generating units and segments

(thousand)	EUR 30.09.2013	EUR 31.12.2012
Delfi Estonia	15 281	15 281
Delfi Latvia	9 390	9 390
Calis.lv (Delfi Latvia)	266	0
Delfi Lithuania	12 517	12 517
Alio (Delfi Lithuania)	332	332
Online media segment	**37 786**	**37 520**
Eesti Päevaleht (incl.hyppelaud.ee) (Eesti Ajalehed)	1 102	1 102
Ajakirjade Kirjastus	456	456
Ekspress Leidyba	199	199
Maaleht (Eesti Ajalehed)	1 816	1 816
Periodicals segment	**3 573**	**3 573**
Total goodwill	**41 359**	**41 093**

Note 6. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term: Up to 1 year	Repayment term: 1-5 years
Balance on 30.09.2013			
Overdraft facilities	**0**	0	0
Long-term bank loans	**25 144**	3 663	21 481
incl. syndicated loan (AS Ekspress Grupp)	**19 343**	3 504	15 839
incl. syndicated and mortgage loan (AS Printall)	**5 801**	159	5 642
Finance lease	**114**	40	74
Total	**25 258**	**3 703**	**21 555**
Balance on 31.12.2012			
Overdraft facilities	**745**	745	0
Long-term bank loans (incl. factoring)	**27 835**	3 602	24 233
incl. syndicated loan (AS Ekspress Grupp)	**21 090**	2 972	18 118
incl. syndicated and mortgage loan (AS Printall)	**6 745**	630	6 115
Total	**28 580**	**4 347**	**24 233**

The effective interest rates are very close to the nominal interest rates.

Refinancing of loan obligations in July 2012

On 12 July 2012, a new syndicated loan contract was signed for refinancing the loan and lease obligations of AS Ekspress Grupp and AS Printall in the total amount of EUR 29.3 million. Previous obligations were paid off with the new loan. The company did not take any additional loans. The parties to the new contract include AS SEB Pank, Nordea Bank Estonia branch, AS Ekspress Grupp and AS Printall. The refinancing transaction was completed on 23 July 2012.

The break-down of the total loan amount according to the loan contract in the amount of EUR 29.3 million is as follows:

(EUR thousand)	New loan principal	Term of annuity payments
Syndicated loan granted to AS Ekspress Grupp	22 300	7 years
Mortgage loan granted to AS Printall	5 000	12 years
Loan granted to AS Printall	2 000	7 years
Total liabilities	**29 300**	

The loan will mature on 25 July 2017. Interest is based on one-month Euribor, plus a margin of 2.5%. Upon expiry of the loan contract, the outstanding loan balance is ca. 11 million.

Together with the syndicated loan, all overdraft facilities of AS Ekspress Grupp were also refinanced. The contract with Danske Bank Estonia branch was terminated and the limit with the remaining contractual partners of the syndicated loan contract was increased to EUR 3 million. The interest rate on overdraft facilities is 1.9% and the limit fee is 1% of the contract amount.

Similarly to the previous syndicated loan, the loans are secured by the shares of the subsidiaries, the guarantees of Estonian subsidiaries in the amount of EUR 37 million, the commercial pledge on the assets of AS Printall in the amount of EUR 16 million and the trademarks of Delfi, Eesti Ekspress, Maaleht, Eesti Päevaleht and Eesti Ekspressi Kirjastus in the amount of EUR 5 million, all which value of the assets set as collateral is included already within the net assets of the Group. In addition the mortgage on the registered immovable and production facilities of AS Printall in the amount of EUR 9 million has been set. As of 30.09.2013, the carrying amount of the building was EUR 3.8 million (31.12.2012: EUR 4.0 million) and the carrying amount of the registered immovable was EUR 0.4 million (31.12.2012: EUR 0.4 million).

According to the conditions of the loan agreement, the borrower must comply with certain loan covenants, such as the equity ratio (equity/total assets), total debt/EBITDA ratio and the debt-service coverage ratio. As of the balance sheet date and at the end of each quarter, all financial ratios were in compliance with the loan covenants set in the loan contract.

In the course of the same transaction, the interest swap contract entered into between AS Ekspress Grupp and Danske Bank, as well as the factoring contract between AS Printall and Danske Bank were terminated.

Overdraft facilities (refinanced on 23 July 2012)

Date of contract	Bank	Limit (EUR thousand)	Used 30.09.2013 (EUR thousand)	Used 31.12.2012 (EUR thousand)	Interest rate	Expiration date of the contract
12.07.2012	Nordea Bank Finland Plc Estonia branch	1 320	0	745	1-month Euribor + 1.9%	25.07.2017
12.07.2012	AS SEB Pank	1 680	0	0	1-month Euribor + 1.9%	25.07.2017
Total		**3 000**	**0**	**745**		

Note 7. Segment reporting

The management has determined the operating segments based on the reports reviewed by the Management Board of the Parent Company AS Ekspress Grupp. The Management Board considers the business from the product perspective. The Company's internal management structure has been divided between the following business segments which have different economic characteristics.

Online media: managing online news portals and classified portals, intermediation of internet advertising services.

This segment includes group companies AS Delfi, AS Delfi (Latvia), UAB Delfi (Lithuania), TOV Delfi (Ukraine), and Delfi Holding SIA (Latvia).

Periodicals: publishing of newspapers, magazines, customer publications and books in Estonia and Lithuania. This segment includes group companies Eesti Ajalehed AS (publisher of Eesti Ekspress, Maaleht and Eesti Päevaleht), OÜ Hea Lugu, AS Ajakirjade Kirjastus, AS SL Õhtuleht and UAB Ekspress Leidyba. This segment also includes AS Express Post, engaged in home delivery of periodicals.

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

The Group's corporate functions are shown separately and they do not form a separate business area. It includes the Parent Company AS Ekspress Grupp, subsidiary OÜ Ekspress Digital (established in March 2012) that provides intra-group IT services, and OÜ Ekspress Finance (established in December 2012 during the demerger of AS Printall), the main activity of which is intra-group refinancing.

The Management Board assesses the performance of the operating segments based on revenue, EBITDA and the EBITDA margin. Volume-based and other fees payable to advertising agencies have not been deducted from the advertising sales of segments, because the Group's management monitors the gross income of companies and segments. Discounts and volume rebates are reported as a reduction of the Group's sales and are shown in the aggregate line of eliminations. Internal management fees and goodwill impairment are not included in segment results.

According to the estimate of the Parent Company's management, the inter-segment transactions have been carried out at arm's length conditions and they do not differ significantly from the conditions of the transactions concluded with third parties.

2013 Q3 (EUR thousand)	Online media	Periodi-cals	Printing services	Corporate functions	Elimin-ations	Total Group
Sales to external customers	**2 430**	**5 291**	**5 482**	**3**	**(229)**	**12 977**
Inter-segment sales	9	51	665	393	(1 118)	0
Total segment sales	2 439	5 342	6 147	396	(1 347)	12 977
EBITDA	**110**	**189**	**1 245**	**(183)**	**0**	**1 361**
EBITDA margin	5%	4%	20%			10%
Depreciation (Note 5)						625
Operating profit						718
Investments (Note 5)						199

2013 9 months (EUR thousand)	Online media	Periodi-cals	Printing services	Corporate functions	Elimin-ations	Total Group
Sales to external customers	**8 053**	**16 852**	**17 798**	**7**	**(809)**	**41 901**
Inter-segment sales	47	180	2 098	1 130	(3 455)	0
Total segment sales	8 100	17 032	19 896	1 137	(4 264)	41 901
EBITDA	**924**	**658**	**4 258**	**(593)**	**2**	**5 249**
EBITDA margin	11%	4%	21%			13%
Depreciation (Note 5)						1 930
Operating profit						3 299
Investments (Note 5)						756

2012 Q3 (EUR thousand)	Online media	Periodi-cals	Printing services	Corporate functions	Elimin-ations	Total Group
Sales to external customers	**2 250**	**5 676**	**5 567**	**0**	**(215)**	**13 278**
Inter-segment sales	32	53	696	268	(1 049)	0
Total segment sales	2 282	5 729	6 263	268	(1 264)	13 278
EBITDA	**208**	**182**	**1 310**	**(206)**	**1**	**1 495**
EBITDA margin	9%	3%	21%			11%
Depreciation (Note 5)						819
Operating profit						676
Investments (Note 5)						169

2012 9 months (EUR thousand)	Online media	Periodi-cals	Printing services	Corporate functions	Elimin-ations	Total Group
Sales to external customers	**7 270**	**17 945**	**18 795**	**5**	**(755)**	**43 260**
Inter-segment sales	111	170	2 326	683	(3 290)	0
Inter-segment sales	7 381	18 115	21 121	688	(4 045)	43 260
Total segment sales	**1 190**	**595**	**4 402**	**(553)**	**2**	**5 636**
EBITDA	16%	3%	21%			13%
EBITDA margin						2 534
Depreciation (Note 5)						3 101
Operating profit						584

Note 8. Earnings per share

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

EUR	Q3 2013	Q3 2012	9 months 2013	9 months 2012
Profit attributable to equity holders	455 204	263 056	2 490 443	1 413 114
Average number of ordinary shares	29 796 841	29 796 841	29 796 841	29 796 841
Basic and diluted earnings per share	0.02	0.01	0.08	0.05

In view of the fact that the Group has no dilutive potential ordinary shares on 30.09.2013 and 30.09.2012, **diluted earnings per share** equal basic earnings per share.

Note 9. Equity and dividends

Share capital and share premium

As of 31 December 2011, 31 December 2012 and 30 September 2013, the share capital of AS Ekspress Grupp was EUR 17 878 105 and it consists of 29 796 841 shares with the nominal value of EUR 0.60 per share. The maximum amount of share capital as stipulated by the articles of association is EUR 25 564 656.

Reserves

The reserves include statutory reserve capital required by the Commercial Code and additional monetary contributions as a general-purpose additional equity contribution by a founding shareholder.

(EUR thousand)	30.09.2013	31.12.2012
Statutory reserve capital	227	101
Additional payments in cash from shareholders	639	639
Total reserves	**866**	**740**

<u>Dividends</u>

At the General Meeting of Shareholders held at 24 May 2013, it was decided to pay dividends in the amount of one euro cent per share for the total of EUR 298 thousand. Dividends were paid on 1 October 2013. There is no income tax expense upon the payment of dividends, because the company paid dividends which it has received from its joint ventures and subsidiaries, on which the income tax on dividends has been already paid or whose profit has been taxed in its domicile. Hence, there will be no additional income tax on distribution of dividends paid by the parent company.

Note 10. Related party transactions

Transactions with related parties are transactions with shareholders, associates, joint ventures, members of the Supervisory and Management Board of all group companies (incl. managing directors of subsidiaries), their immediate family members and the companies under their control or significant influence.

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

The Group has purchased from (goods for resale, manufacturing materials, non-current assets) and sold its goods and services to (lease of non-current assets, management services, other services) to the following related parties:

Sales

(EUR thousand)	9 months 2013	9 months 2012
Sales of goods		
Associates	556	615
Total sale of goods	**556**	**615**
Sale of services		
Members of Supervisory Board and companies related to them	9	5
Associates and joint ventures	550	562
Total sale of services	**559**	**567**
Total sales	**1 115**	**1 182**

Purchases

(EUR thousand)	9 months 2013	9 months 2012
Purchase of services		
Members of Management Board and companies related to them	39	50
Members of Supervisory Board and companies related to them	252	273
Associates and joint ventures	320	332
Total purchases of services	**611**	**655**
Total purchases	**611**	**655**

Receivables

(EUR thousand)	30.09.2013	31.12.2012
Short-term receivables		
Members of Supervisory Board and companies related to them	3	0
Associates and joint ventures	479	610
Total short-term receivables	**482**	**610**
Long-term receivables		
Members of Supervisory Board and companies related to them	192	192
Total long-term receivables	**192**	**192**
Total receivables	**674**	**802**

Liabilities

(EUR thousand)	30.09.2013	31.12.2012
Current liabilities		
Members of Management Board and companies related to them	5	4
Members of Supervisory Board and companies related to them	9	12
Associates and joint ventures	48	42
Total liabilities	**62**	**58**

According to the decision of the General Meeting held on 2 June 2009 and 4 May 2012, Hans H. Luik will be paid a guarantee fee of 1.5% per annum on the guarantee amount for the personal guarantee of EUR 4 million on the syndicated loan and overdraft agreements until the guarantee expires. The amount paid out in 9 months of 2013 was EUR 45 thousand (2012: EUR 45 thousand) and there are no outstanding liabilities as of 30 September 2013 and 31 December 2012.

The management estimates that the transactions with related parties have been carried out at arms' length conditions. As of 30.09.2013, the allowance for the receivable from the associate Medipresa UAB was made in the amount of EUR 62 thousand (31.12.2012: EUR 63 thousand) in accordance with the ownership interest in the negative equity of Medipresa UAB.

Remuneration of members of the Management and Supervisory Boards of all group companies

	9 months	9 months
Salaries and other benefits (without social tax)	743	836
Termination benefits (without social tax)	0	34
Total (without social tax)	**743**	**870**

The members of all management boards of the group companies (incl. managing directors of subsidiaries if these companies do not have management board as per Estonian law) (hereinafter Key Management) are entitled to receive compensation upon expiry or termination of their contracts in accordance with the terms laid down in their employment contracts. The Key Management terminations benefits are usually payable in case the termination of contracts is originated by the company. If a member of the Key Management is recalled without a substantial reason, a notice thereof shall be given up to 3 months in advance and the member shall be paid compensation for termination of the contract in the amount of up to 7 months' salary. Upon termination of an employment relationship, no compensation shall be paid if a member of the Key Management leaves at his or her initiative or if a member of the Key Management is removed by the Supervisory Board with a valid reason. As of 30 September 2013, the maximum gross amount of potential Key Management termination benefits was EUR 399 thousand (30 September 2012: EUR 425 thousand). No remuneration is paid separately to the members of the Supervisory Boards of the group companies and no compensation is paid if they are recalled.

Note 11. Sustainability of operations

As of 30 September 2013, the Group's current liabilities exceeded current assets by EUR 1.0 million. The Group's consolidated financial statements have been prepared on the going concern principle, as the management estimates that negative working capital will not cause any financial difficulties for the Group during 12 months from the date of signing the financial statements. The Group has also an unused overdraft facility in the amount of EUR 3.0 million. In addition client's prepayments for subscriptions, which are recognised as liabilities in the balance sheet in amount of EUR 2.3 million at the year-end, are not to be paid out but recognised as income in the following year. Information about liquidity risk and its monitoring is disclosed in more detail in Note 3.

Note 12. Contingent liabilities

The Group's subsidiaries have several pending court cases. However, their effect of the Group's financial results is irrelevant.

Note 13. Events after the balance sheet date

On 10 October, AS Ekspress Grupp sent AS Eesti Meedia a notice, according to which it wishes to exercise its contractual right to purchase the shares that Eesti Meedia holds in SL Õhtuleht, Ajakirjade Kirjastus and Express Post. This right is provided for the contracting parties in the event the majority shareholder of the other party changes. On 12 September, Eesti Meedia announced the transfer of the ownership interest of its sole shareholder to the new owner.

On 15 October 2013, AS Ekspress Grupp together with the private limited company Suits Meedia submitted a notification of concentration to the Estonian Competition Authority regarding acquisition of joint control over the public limited companies SL Õhtuleht, Ajakirjade Kirjastus and Express Post. The main prerequisite for conducting the concentration is the permit granted by the Estonian Competition Authority. During the concentration, OÜ Suits Meedia will purchase the shares of limited companies SL Õhtuleht, Ajakirjade Kirjastus and Express Post from AS Ekspress Grupp after AS Ekspress Grupp has acquired the shares from AS Eesti Meedia according to the Shareholder Agreements concluded between the parties. On 15 October 2013, OÜ Suits Meedia and AS Ekspress Grupp concluded a corresponding letter of intent. During the concentration, AS Ekspress Grupp will not transfer the shares currently owned by the company. The sole shareholder of OÜ Suits Meedia is AS Giga, whose sole shareholder through a holding company is Janek Veeber.

The Management Board of AS Ekspress Grupp will convene an Extraordinary General Meeting of Shareholders to be held on 21.11.2013. The agenda includes the approval of the terms and conditions of the share option of the member of the Management Board of AS Ekspress Grupp which entitles the Chairman of the Management Board under the option programme to acquire up to 700 000 shares free of charge between 01.01.2017 and 31.03.2017. The Supervisory Board has the right to partly reduce the number of option programme shares in case the Chairman of the Management Board fails to achieve the goals set for him. To fulfil the conditions of the option, AS Ekspress Grupp must acquire up to 700 000 own shares no later than 31.12.2016.