AS EKSPRESS GRUPP

CONSOLIDATED INTERIM REPORT

FOR THE FOURTH QUARTER AND

12 MONTHS OF 2014

TABLE OF CONTENTS

GENERAL INFORMATION

Beginning of reporting period	1 January 2014
End of reporting period	31 December 2014
Company name	AS Ekspress Grupp
Registration number	10004677
Address	Narva mnt 11E, Tallinn 10151
Phone	669 8381
Fax	669 8081
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
Supervisory Board	Viktor Mahhov (chairman)
	Hans H. Luik
	Kari Sakari Salonen
	Harri Helmer Roschier
	Ville Jehe (until 20.06.2014)
	Aavo Kokk (until 20.06.2014)
	Indrek Kasela (since 20.06.2014)
	Jaak Ennuste (since 20.06.2014)
Auditor	AS Deloitte Audit Eesti

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 54 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*	19.02.2015
Pirje Raidma	Member of the Management Board	*signed digitally*	19.02.2015
Andre Veskimeister	Member of the Management Board	*signed digitally*	19.02.2015

MANAGEMENT REPORT

The year 2014 was a successful year for Ekspress Group. In year-on-year comparison, the consolidated EBITDA of the Group increased by 22% to almost EUR 9 million. Consolidated net profit was 30% higher and amounted to EUR 4.6 million. The EBITDA margin was 14.5%. The actual results were also higher compared to our cautiously budgeted EBITDA of EUR 8 million and net profit of EUR 3.8 million.

In the 4^{th} quarter, the EBITDA increased by 37% to EUR 2.8 million, the net profit was 53% higher amounting to EUR 1.6 million. The EBITDA margin of the year's final quarter amounted to 16.4%.

The above figures include all our joint ventures (AS SL Õhtuleht, AS Ajakirjade Kirjastus and AS Express Post) consolidated 50% line-by-line. Starting from 2014, in consolidated financial reports 50% joint ventures are recognised under the equity method, in compliance with **new international financial reporting standards (IFRS).** The change in this accounting policy does not affect the net profit, but decreases the fourth-quarter sales revenue by approximately EUR 2.3 million and the EBITDA by approximately EUR 0.35 million (annual sales revenue is approximately EUR 8.6 million lower and EBITDA approximately EUR 1.0 million lower). In its monthly reports, the management has continued to monitor the Group's performance on a basis of proportional consolidation of joint ventures and the syndicated loan contract also determines the calculation of loan covenants by proportional consolidation. For the purpose of clarity, the management report shows two sets of indicators: one where joint ventures are consolidated line-by-line 50% as previously and the other where joint ventures are recognised under the equity method and their net result is presented as financial income in one line. In Note 3 of the financial statements, the impact of every joint venture on the respective line of the income statement and balance sheet is described in more detail.

The income statement includes financial income in the amount of EUR 1.9 million resulting from the acquisition of shares of AS Ajakirjade Kirjastus and AS SL Õhtuleht from AS Eesti Meedia, their sale to OÜ Suits Meedia and subsequent restructuring. In essence, joint ventures with AS Eesti Meedia were sold and new joint ventures were acquired together with OÜ Suits Meedia. In addition, as a result of these transactions, trademarks, other intangible assets and goodwill in the acquired joint ventures are now recognised at their fair value in both the balance sheet of the joint ventures themselves and the Group (where joint ventures are 50% consolidated). In the income statement, the depreciation cost of these trademarks and other assets is recognised subsequently thus decreasing the net profit.

In addition to the above, the net profit was influenced by the impairment of goodwill related to Delfi Latvia in the amount of EUR 1.4 million. It is partly attributable to the decision made in the first half of 2014 to invest in the strengthening of the editorial office of Delfi Latvia which has had an impact on the entity's financial results and partly to the downturn of the economic climate, caused mainly by the events in Ukraine.

The Group's financial leverage improved notably during the year. The Group's total debt to EBITDA ratio (based on 50% proportional consolidation of joint ventures) decreased down to 2.61 by the end of the year and the debt service coverage ratio increased up to 1.90. Today our balance sheet allows us to look very aggressively towards new investment opportunities.

Media segment which includes 50% joint ventures achieved EBITDA growth of 42% compared to last year, totalling EUR 4.0 million. In the 4^{th} quarter, EBITDA was 19% higher, totalling EUR 1.4 million. Starting from the third quarter when the Lithuanian magazine publisher UAB Ekspress Leidyba was merged with Delfi Lithuania, we no longer separate online media from periodicals, and talk about one media segment which represents both online and print media. The online revenue of Delfi Lithuania continues to be reported separately.

In the media segment, the biggest EBITDA growth was achieved by Delfi Estonia, exceeding last year's result by 95% and amounting to EUR 0.6 million. This included fourth-quarter EBITDA in the amount of EUR 0.2 million which is 36% higher than a year earlier. The strong result of Delfi Estonia is due to excellent work of the editorial office in increasing the readership of the portal that has enabled the advertising sales team to increase the revenue faster than the market in average. The rapid growth of new products, especially online topical portals and video solutions played an important role in increasing the revenue.

Although Delfi Latvia saw the EBITDA decrease 32% compared to year ago, it still earned a profit of EUR 0.1 million. In the 4th quarter, the result remained the level of previous year. In all three Baltic States, the competition in Latvia is the toughest. Acquisitions made by competitors to increase their market share have essentially equalled the readership of the three largest portals in Latvia, although Delfi remains the country's largest news portal and for a few months in the autumn was also Latvia's largest internet environment. In such a tough competitive situation we decided not to invest in acquisitions, but in the development of our own product, increasing editorial office and opening new topical portals. For this reason, costs in Delfi Latvia in 2014 were higher than we had planned at the start of the year.

EBITDA of Delfi Lithuania increased 23% in a year to EUR 1.3 million. Fourth-quarter EBITDA remained on the same level as year before. The result of Delfi Lithuania was most affected by the merger with other group company Ekspress Leidyba, the Lithuanian magazine publisher, as a result of which we managed to optimise the organisational structure, while creating better possibilities for selling online and print advertising together.

It was also a good year for **publishers**. Although advertising income was largely in a downward trend, subscription income increased. AS Eesti Ajalehed that publishes newspapers Eesti Ekspress, Eesti Päevaleht and Maaleht improved its result by 46% and earned EUR 0.5 million in EBITDA. At the same time the fourth-quarter result was 19% weaker than a year earlier and the profit was only EUR 0.15 million. Additional contribution to the result during the year came from the series of Estonian children's films that were produced in cooperation with a group's book publisher Hea Lugu, and a series of detective novels, a cooperation project with third party book publisher Varrak. Our book publishing company Hea Lugu provided a positive surprise by earning an annual profit of EUR 0.1 million which is an increase of 71% from a year earlier. The strong annual result was attributable to the series of children's films in the first half of the year and to several bestsellers published.

AS SL Õhtuleht increased its EBITDA result by 61% in a year to EUR 0.7 million. Fourth-quarter profit, at the same time, was 142% higher. The EBITDA result of AS Ajakirjade Kirjastus also improved this year, increasing by 49% and totalling EUR 0.5 million by the end of the year. In the 4th quarter, the result was 39% better. The result of both AS SL Õhtuleht and AS Ajakirjade Kirjastus was influenced positively by smaller printing costs resulting from entering into new printing contracts with AS Kroonpress and AS Printall. Express Post, a home delivery service provider, grew its EBITDA by 33% in a year, earning EUR 0.7 million. Fourth-quarter result improved 57% year-on-year.

Since only the net profit of our joint ventures is recognised in the Group's consolidated income statement prepared in accordance with new IFRS, the direct positive impact on consolidated results will be smaller due to amortisation of the trademarks and customer relations which now appear at their fair value in the balance sheet of the joint ventures of AS SL Õhtuleht and AS Ajakirjade Kirjastus as a result of ownership restructuring. However the positive impact is reflected in the EBITDA of the joint ventures themselves.

One of the most significant events in 2014 was the ending of the court dispute over the ownership of AS SL Õhtuleht and AS Ajakirjade Kirjastus. As a result of the dispute, OÜ Suits Meedia replaced AS Eesti Meedia as a shareholder in those two joint ventures. The immediate positive impact of the change in ownership was a significant decrease in the cost of printing services. In addition to a direct economic effect, this decision also has a long-term positive impact on the companies which have now more possibilities to compete in the market.

Very important event for the media segment was the growth in the number of paid digital subscriptions which exceeded 10,000 subscribers at the end of the year both for newspaper Eesti Ekspress and Eesti Päevaleht. It is also worth mentioning that weekly newspaper Eesti Ekspress celebrated its 25th birthday in autumn and at the same time Delfi celebrated its 15th birthday.

For online media companies, one of the most significant projects in 2014 was the development of the discount price portal Zave. By the end of the year, approximately 150 different merchants in the three Baltic States participated in this project.

The printing services segment increased its revenues by 5% and EBITDA by 1% last year and earned approximately EUR 6 million EBITDA. In 2014, the key event in the printing services segment was the decision to acquire a new printing machine and its arrival in the last month of the year. The new sheet fed machine starts production at the beginning of 2015.

At the end of the year we decided to launch a **new business line** – arrangement of entertainment events. The first project will be an exhibition in Riga about M/S Titanic that sank on her maiden voyage. The exhibition will open in the first half of 2015. After the Titanic exhibitions we will decide our further steps in terms of developing the business line of entertainment events.

In 2015 we expect the Group's business to gather pace and increase of our financial capability. We expect to increase the consolidated revenue by 5% and the EBITDA by 7% at least. This includes 50% of the results of our joint ventures.

At the start of January we announced a merger between AS Eesti Ajalehed and AS Delfi into one entity. The objective of this step is to cut administrative bureaucracy in joint transactions between the two closely linked companies, to increase journalistic quality through further cooperation of editorial offices of both media entities and to provide paper and digital newspapers direct access to the marketing capacity of Estonian largest portal. For our advertising customers we wish to provide access to all our platforms from a single sales organisation.

We continue to develop the discount price portal Zave, a new innovative customer communication tool for retail merchants. We have also set a goal to increase the number of paid digital subscriptions up to 20 thousand by the end of the year.

We have also started the project in investing into Baltic startup companies with the objective of supporting young businesses that could develop their business with the help of the Group's marketing power in Baltic states and prepare expanding to larger international markets.

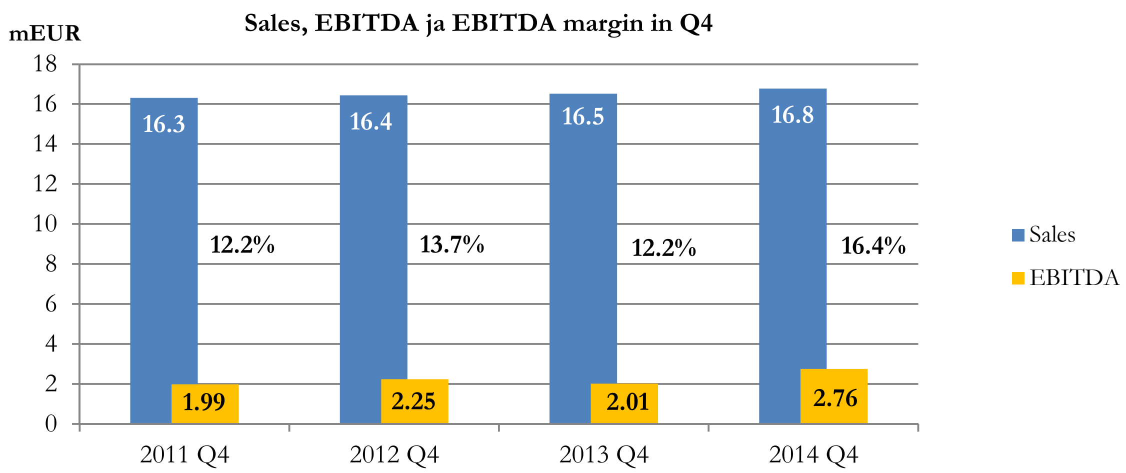
Our mission remains to offer new and interesting experiences both on paper and in digital media, without ever compromising on news quality, choice of topics and journalistic objectivity.

FINANCIAL INDICATORS AND RATIOS – joint ventures consolidated 50% line-by-line

Starting from 2014, in consolidated financial reports 50% joint ventures are recognised under the equity method, in compliance with **new international financial reporting standards (IFRS).** In its monthly reports, the management has continued to monitor the Group's performance on a basis of proportional consolidation of joint ventures and the syndicated loan contract also determines the calculation of loan covenants by proportional consolidation. For the purpose of clarity, the management report shows two sets of indicators: one where joint ventures are consolidated line-by-line 50% as previously and the other where joint ventures are recognised under the equity method and their net result is presented as financial income in one line.

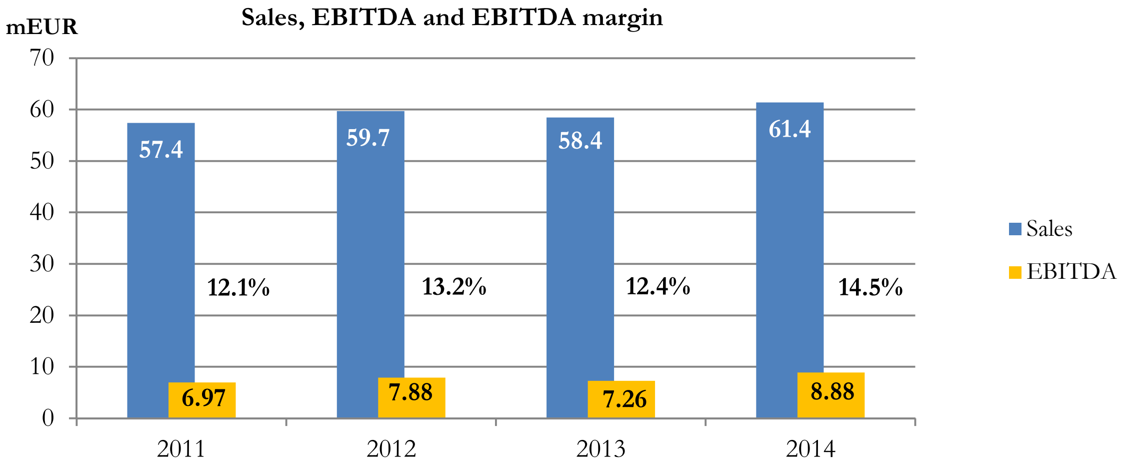
Performance indicators – joint ventures consolidated 50% (EUR thousand)	**Q4 2014**	**Q4 2013**	**Change %**	**Q4 2012**	**Q4 2011**
For the period					
Sales	16 778	16 526	2%	16 447	16 313
EBITDA	**2 757**	**2 015**	**37%**	**2 246**	**1 986**
EBITDA margin (%)	***16.4%***	***12.2%***		***13.7%***	***12.2%***
Operating profit*	1 894	1 348	41%	1 496	1 037
Operating margin (%)*	*11.3%*	*8.2%*		*9.1%*	*6.4%*
Interest expenses	(186)	(185)	-1%	(206)	(523)
Profit /(loss) for the period*	**1 614**	**1 057**	**53%**	**1 269**	**535**
Net margin* (%)	***9.6%***	***6.4%***		***7.7%***	***3.3%***
Net profit /(loss) for the period in the financial statements (incl. impairments and gain on change of ownership interest)	1 149	(1 410)	181%	1 112	(215)
Net margin (%)	*6.8%*	*-8.5%*		*6.8%*	*-1.3%*
Return on assets ROA (%)	*1.4%*	*-1.8%*		*1.4%*	*-0.3%*
Return on equity ROE (%)	*2.4%*	*-3.2%*		*2.7%*	*-0.6%*
Earnings per share (EPS)	**0.04**	**(0.05)**		**(0.04)**	**(0.01)**

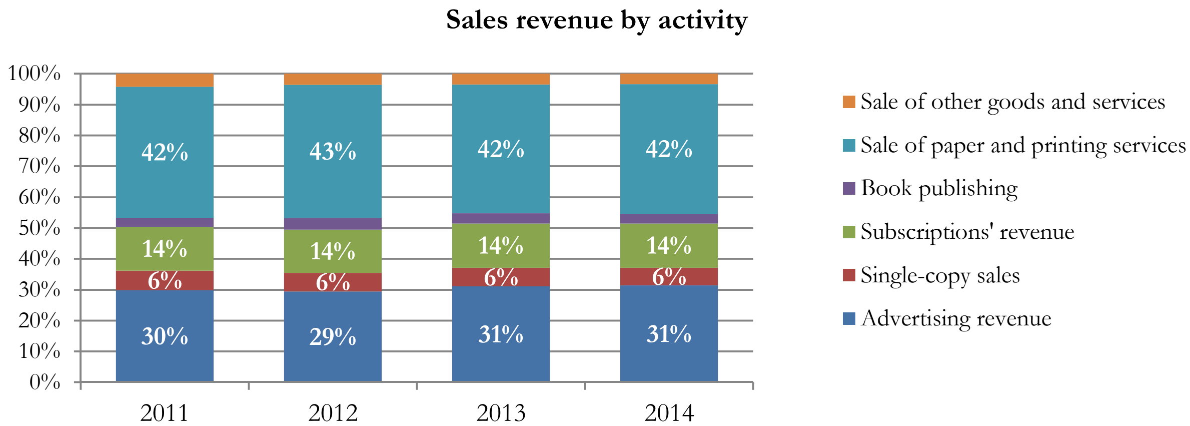
***** The results exclude allowances on impairments and one-off gains in relation to the acquisition in Eesti Päevalehe AS in 2011 and the change in ownership structure in joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht in 2014. More information is disclosed in the Note 5 to the financial statements.



Performance indicators – joint ventures consolidated 50% (EUR thousand)	**12 months 2014**	**12 months 2013**	**Change %**	**12 months 2012**	**12 months 2011**
For the period					
Sales	61 384	58 427	5%	59 706	57 391
EBITDA	**8 878**	**7 264**	**22%**	**7 882**	**6 968**
EBITDA margin (%)	***14.5%***	***12.4%***		***13.2%***	***12.1%***
Operating profit*	5 638	4 647	21%	4 596	3 443
Operating margin (%)*	*9.2%*	*8.0%*		*7.7%*	*6.0%*
Interest expenses	(732)	(763)	4%	(1 549)	(2 212)
Profit /(loss) for the period*	**4 620**	**3 548**	**30%**	**2 682**	**893**
Net margin* (%)	***7.5%***	***6.1%***		***4.5%***	***1.6%***
Net profit for the period in the financial statements (incl. impairments and gain on change of ownership interest)	5 110	1 081	373%	2 525	1 683
Net margin (%)	*8.3%*	*1.9%*		*4.2%*	*2.9%*
Return on assets ROA (%)	*6.6%*	*1.4%*		*3.2%*	*2.0%*
Return on equity ROE (%)	*11.4%*	*2.5%*		*6.4%*	*4.4%*
Earnings per share (EPS)	**0.17**	**0.04**		**0.08**	**0.06**

* The results exclude allowances on impairments and one-off gains in relation to the acquisition in Eesti Päevalehe AS in 2011 and the change in ownership structure in joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht in 2014. More information is disclosed in the Note 5 to the financial statements.





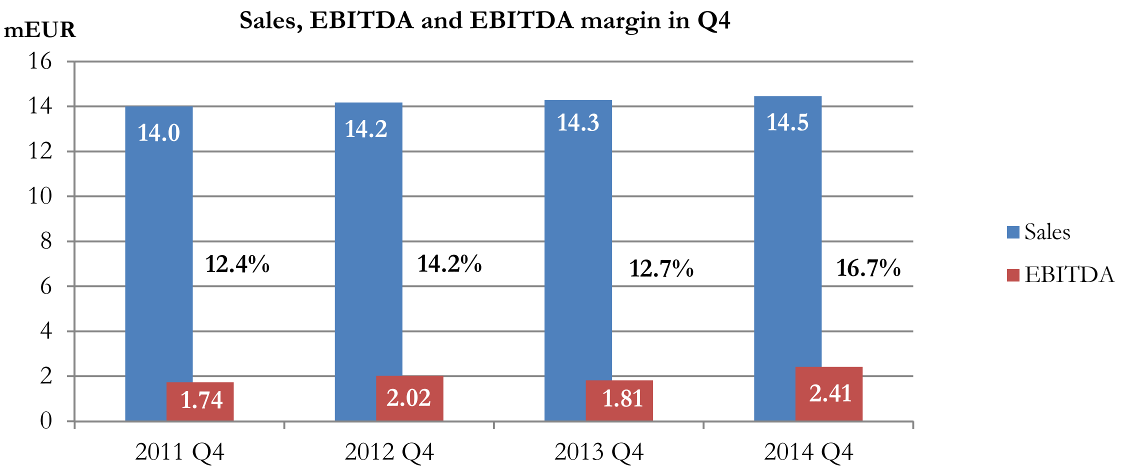
Balance sheet – joint ventures consolidated 50% (EUR thousand)	**31.12.2014**	**31.12.2013**	**Change %**
As of the end of the period			
Current assets	15 189	14 447	6%
Non-current assets	65 665	63 019	4%
Total assets	**80 854**	**77 466**	**5%**
incl. cash and bank	*6 788*	*4 501*	*51%*
incl. goodwill	*39 432*	*40 052*	*-2%*
Current liabilities	14 110	14 468	-2%
Non-current liabilities	19 569	20 673	-5%
Total liabilities	**33 679**	**35 141**	**-4%**
incl. borrowings	*24 592*	*24 432*	*1%*
Equity	**47 175**	**42 325**	**12%**

Financial ratios (%) – joint ventures consolidated 50%	**31.12.2014**	**31.12.2013**
Equity ratio (%)	58%	55%
Debt to equity ratio (%)	52%	58%
Debt to capital ratio (%)	27%	32%
Total debt/EBITDA ratio (adjusted as per syndicate agreement)	2.61	3.36
Debt service coverage ratio	1.90	1.66
Liquidity ratio	1.08	1.00

FINANCIAL INDICATORS AND RATIOS – joint ventures recognized under the equity method

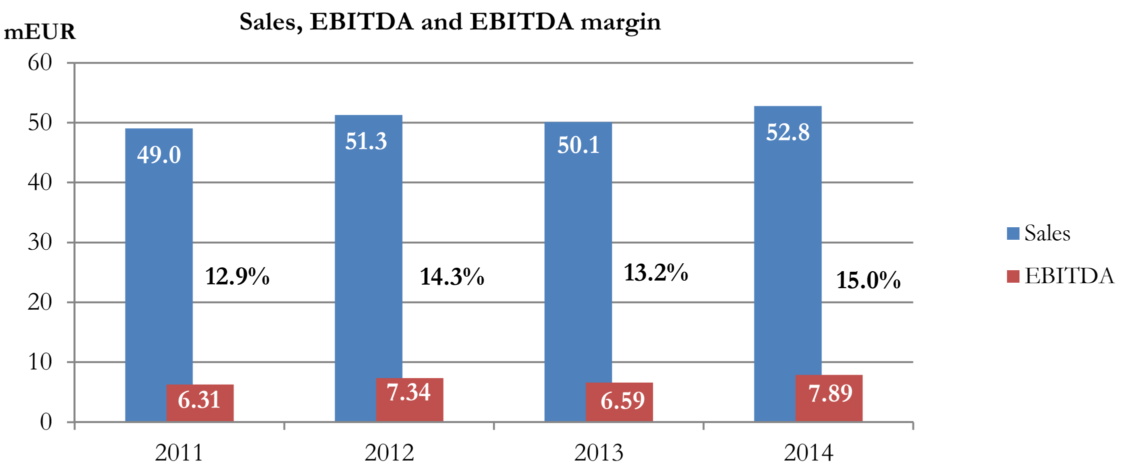
Performance indicators – joint ventures under the equity method (EUR thousand)	Q4 2014	Q4 2013	Change %	Q4 2012	Q4 2011
For the period					
Sales (only subsidiaries)	14 454	14 291	1%	14 165	13 995
EBITDA (only subsidiaries)	**2 413**	**1 815**	**33%**	**2 017**	**1 740**
EBITDA margin (%)	***16.7%***	***12.7%***		***14.2%***	***12.4%***
Operating profit* (only subsidiaries)	1 661	1 175	41%	1 293	822
Operating margin (%)*	*11.5%*	*8.2%*		*9.1%*	*5.9%*
Interest expenses (only subsidiaries)	(158)	(185)	14%	(206)	(524)
Profit of joint ventures by equity method	182	174	4%	202	208
Profit for the period*	**1 601**	**1 057**	**52%**	**1 269**	**535**
Net margin* (%)	***11.1%***	***7.4%***		***9.0%***	***3.8%***
Net profit/(loss) for the period in the financial statements (incl. impairments and gain on change of ownership interest)	1 136	(1 410)	181%	1 112	(215)
Net margin (%)	*7.9%*	*-9.9%*		*7.8%*	*-1.5%*
Return on assets ROA (%)	*1.5%*	*-1.8%*		*1.4%*	*-0.3%*
Return on equity ROE (%)	*2.4%*	*-3.2%*		*2.7%*	*-0.6%*
Earnings per share (EPS)	**0.04**	**(0.05)**		**(0.04)**	**(0.01)**

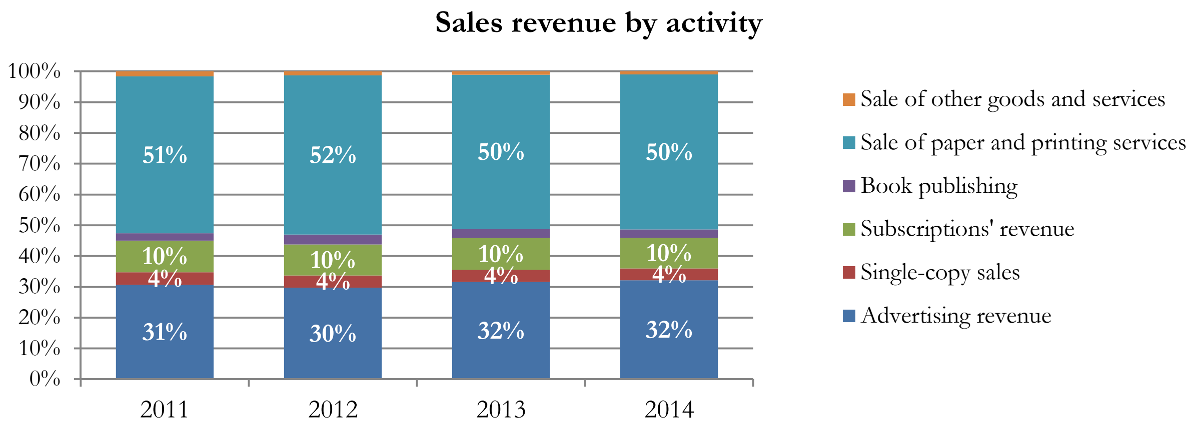
* The results exclude allowances on impairments and one-off gains in relation to the acquisition in Eesti Päevalehe AS in 2011 and the change in ownership structure in joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht in 2014. More information is disclosed in the Note 5 to the financial statements.



Performance indicators – joint ventures under the equity method (EUR thousand)	12 months 2014	12 months 2013	Change %	12 months 2012	12 months 2011
For the period					
Sales (only subsidiaries)	52 793	50 086	5%	51 290	49 027
EBITDA (only subsidiaries)	**7 894**	**6 591**	**20%**	**7 345**	**6 311**
EBITDA margin (%)	***15.0%***	***13.2%***		***14.3%***	***12.9%***
Operating profit* (only subsidiaries)	4 973	4 071	22%	4 173	2 930
Operating margin (%)*	*9.4%*	*8.1%*		*8.1%*	*6.0%*
Interest expenses (only subsidiaries)	(689)	(763)	10%	(1 550)	(2 219)
Profit of joint ventures by equity method	557	494	13%	339	421
Profit for the period*	**4 621**	**3 548**	**30%**	**2 682**	**893**
Net margin* (%)	***8.8%***	***7.1%***		***5.2%***	***1.8%***
Net profit / (loss) for the period in the financial statements (incl. impairments and gain on change of ownership interest)	5 110	1 081	373%	2 525	1 683
Net margin (%)	*9.7%*	*2.2%*		*4.9%*	*3.4%*
Return on assets ROA (%)	*6.8%*	*1.4%*		*3.2%*	*2.0%*
Return on equity ROE (%)	*11.4%*	*2.5%*		*6.4%*	*4.4%*
Earnings per share (EPS)	**0.17**	**0.04**		**0.08**	**0.06**

* The results exclude allowances on impairments and one-off gains in relation to the acquisition in Eesti Päevalehe AS in 2011 and the change in ownership structure in joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht in 2014. More information is disclosed in the Note 5 to the financial statements.





Balance sheet– joint ventures under equity method (EUR thousand)	31.12.2014	31.12.2013	Change %
As at the end of the period			
Current assets	12 303	11 357	8%
Non-current assets	64 292	63 899	1%
Total assets	**76 595**	**75 256**	**2%**
incl. cash and bank	*5 275*	*2 209*	*139%*
incl. goodwill	*38 153*	*39 596*	*-4%*
Current liabilities	11 481	12 259	-6%
Non-current liabilities	17 939	20 672	-13%
Total liabilities	**29 420**	**32 931**	**-11%**
incl. borrowings	*23 152*	*24 432*	*-5%*
Equity	**47 175**	**42 325**	**11%**

Financial ratios (%) – joint ventures under the equity method	31.12.2014	31.12.2013
Equity ratio (%)	62%	56%
Debt to equity ratio (%)	49%	58%
Debt to capital ratio (%)	27%	34%
Total debt /EBITDA ratio	2.93	3.71
Debt service coverage ratio	1.77	1.50
Liquidity ratio	1.07	0.93

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, preference of other advertising channels (e.g. preference of internet rather than print media) and changes in consumption habits of retail consumers (following current news in news portals versus reading printed newspapers, preference of the younger generation to use mobile devices and other communication channels, etc.).

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 increase 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. Book sales are the strongest in the last quarter of the year. Subscriptions and retail sales of periodicals do not fluctuate as much as advertising revenue. However the summer period is always more quiet and at the beginning of the school year in September there is increase in subscriptions and retail sale which usually continues until next summer holiday period.

Formulas used to calculate the financial ratios	
EBITDA margin (%)	EBITDA/sales x 100
Operating margin* (%)	Operating profit*/sales x100
Net margin* (%)	Net profit*/sales x100
Net margin (%)	Net profit /sales x100
Earnings per share	Net profit / average number of shares
Equity ratio (%)	Equity / (liabilities + equity) x100
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 ratio	Interest bearing borrowings /EBITDA
Debt service coverage ratio	EBITDA/loan and interest payments for the period
Liquidity ratio	Current assets / current liabilities
Return on assets ROA (%)	Net profit /average assets x 100
Return on equity ROE (%)	Net profit /average equity x 100

***** The results exclude allowances on impairments and one-off gains in relation to the acquisition in Eesti Päevalehe AS in 2011 and the change in ownership structure in joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht in 2014. More information is disclosed in the Note 5 to the financial statements.

CORPORATE STRUCTURE

EKSPRESS GROUP

Eesti Ajalehed 100%	The main activity of Eesti Ajalehed is the publication of the biggest Estonian weekly newspapers - Eesti Ekspress and Maaleht, as well as the publication of the daily newspaper Eesti Päevaleht.
SL Õhtuleht 50%	AS SL Õhtuleht publishes daily newspaper Õhtuleht. The company is owned in equal parts by Ekspress Grupp and Suits Meedia.
Ajakirjade Kirjastus 50%	Ajakirjade Kirjastus publishes 34 magazine titles for more than 600,000 readers. The company is owned in equal parts by Ekspress Grupp and Suits Meedia.
Hea Lugu 100%	Hea Lugu is the Group's book publishing company. The company has published fiction, history books, children's books, reference books, handbooks and various series.
Delfi Estonia	In Estonia, Delfi is the largest internet portal whose websites are according to TNS Metrix visited by more than 500,000 people a month.
Delfi Latvia	In Latvia Delfi is the largest news portal whose websites are according to Gemius Audience visited by more than 700,000 people a month.
Delfi Lithuania Medipresa (Lithuania) 40%	In Lithuania Delfi is the largest internet portal whose websites are according to Gemius Audience visited by more than 1,100,000 people a month. In addition, Delfi publishes several magazines that are the leading titles in their segments in Lithuania. Delfi has a 49% shareholding in Lithuanian home delivery company Medipresa.
Ekspress Digital 100%	Ekspress Digital is an IT development and management company that supports Group companies in developing and managing their IT solutions.
Express Post 50%	Express Post specialises in early-morning home delivery of periodicals and letters in Estonia. The company is owned in equal parts by Ekspress Grupp and Eesti Meedia.
Printall 100%	The most contemporary printing plant in the Baltic countries. Large part of the Estonian newspapers, magazines and advertising materials are printed in Printall. Most of the production is exported.
Zavetoday.com	Zavetoday.com is the portal of discounted offers of the largest retailers that operates in all three Baltic countries.
Adnet Media 49%	Adnet is an advertising network operating in the Baltic countries that mediates Internet advertising to end-consumers and re-sells international advertising space.

SEGMENT OVERVIEW

From the 3rd quarter of the current year when the Group's Lithuanian subsidiaries were merged, the Group's activities are divided into **the media segment** and **the printing services segment**. Previously, the entities of the media segment were divided into online media and periodicals segments.

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.

Key financial data of the segments Q4 2011-2014

(EUR thousand)	Sales			Sales	
	Q4 2014	Q4 2013	Change %	Q4 2012	Q4 2011
media segment (by equity method)	7 535	7 617	-1%	7 049	6 550
incl. revenue from all digital and online channels	*4 015*	*3 389*	*18%*	*3 029*	*2 618*
printing services segment	8 083	7 566	7%	8 046	8 143
corporate functions	459	393	17%	308	71
intersegment eliminations	(1 624)	(1 286)	-26%	(1 238)	(769)
TOTAL GROUP by equity method	**14 454**	**14 291**	**1%**	**14 165**	**13 995**
media segment by proportional consolidation	10 141	10 043	1%	9 532	9 030
incl. revenue from all digital and online channels	*4 257*	*3 584*	*19%*	*3 184*	*2 773*
printing services segment	8 083	7 566	7%	8 046	8 143
corporate functions	459	393	17%	308	71
intersegment eliminations	(1 905)	(1 476)	29%	(1 439)	(931)
TOTAL GROUP by proportional consolidation	**16 778**	**16 526**	**2%**	**16 447**	**16 313**

(EUR thousand)	EBITDA			EBITDA	
	Q4 2014	Q4 2013	Change %	Q4 2012	Q4 2011
media segment by equity method	1 103	1 014	9%	611	511
media segment by proportional consolidation	*1 448*	*1 214*	*19%*	*839*	*758*
printing services segment	1 623	1 604	1%	1 650	1 495
corporate functions	(313)	(763)	59%	(242)	(267)
intersegment eliminations	0	(40)	100%	(1)	1
TOTAL GROUP by equity method	**2 413**	**1 815**	**33%**	**2 017**	**1 740**
TOTAL GROUP by proportional consolidation	**2 757**	**2 015**	**37%**	**2 246**	**1 986**

EBITDA margin	Q4 2014	Q4 2013	Q4 2012	Q4 2011
media segment by equity method	15%	13%	9%	8%
media segment by proportional consolidation	*14%*	*12%*	*9%*	*8%*
printing services segment	20%	21%	21%	18%
TOTAL GROUP by equity method	**17%**	**13%**	**14%**	**12%**
TOTAL GROUP by proportional consolidation	**16%**	**12%**	**14%**	**12%**

Key financial data of the segments 12 months 2011-2014

(EUR thousand)	Sales			Sales	
	12 months 2014	12 months 2013	Change %	12 months 2012	12 months 2011
media segment (by equity method)	27 459	25 842	6%	25 562	23 789
incl. revenue from all digital and online channels	*13 449*	*11 595*	*16%*	*10 561*	*9 111*
printing services segment	28 951	27 462	5%	29 167	27 736
corporate functions	1 731	1 530	13%	996	209
intersegment eliminations	(5 347)	(4 748)	13%	(4 435)	(2 707)
TOTAL GROUP by equity method	**52 793**	**50 086**	**5%**	**51 290**	**49 027**
media segment by proportional consolidation	36 930	34 955	6%	34 773	32 771
incl. revenue from all digital and online channels	*14 306*	*12 226*	*17%*	*11 147*	*9 673*
printing services segment	28 951	27 462	5%	29 167	27 736
corporate functions	1 731	1 530	13%	996	209
intersegment eliminations	(6 228)	(5 520)	13%	(5 230)	(3 325)
TOTAL GROUP by proportional consolidation	**61 384**	**58 427**	**5%**	**59 706**	**57 391**

(EUR thousand)	EBITDA			EBITDA	
	12 months 2014	12 months 2013	Change %	12 months 2012	12 months 2011
media segment by equity method	3 025	2 123	42%	2 089	1 325
media segment by proportional consolidation	*4 013*	*2 792*	*44%*	*2 624*	*1 977*
printing services segment	5 944	5 862	1%	6 052	5 959
corporate functions	(1 076)	(1 356)	21%	(797)	(980)
intersegment eliminations	0	(38)	101%	1	7
TOTAL GROUP by equity method	**7 894**	**6 591**	**20%**	**7 345**	**6 311**
TOTAL GROUP by proportional consolidation	**8 878**	**7 264**	**22%**	**7 882**	**6 968**

EBITDA margin	2014	2013	2012	2011
media segment by equity method	11%	8%	8%	6%
media segment by proportional consolidation	*11%*	*8%*	*8%*	*6%*
printing services segment	21%	21%	21%	21%
TOTAL GROUP by equity method	**15%**	**13%**	**14%**	**13%**
TOTAL GROUP by proportional consolidation	**15%**	**12%**	**13%**	**12%**

MEDIA SEGMENT

The media segment includes Delfi operations in Estonia, Latvia and Lithuania as well as the parent company Delfi Holding. Starting from 1 March 2014, the operations of Delfi in Ukraine have been terminated. The nine-month EBITDA of Delfi Ukraine also includes expenses related to the termination of operations. The media segment also includes AS Eesti Ajalehed (publisher of Maaleht, Eesti Ekspress and Eesti Päevaleht), book publisher OÜ Hea Lugu as well as magazine publisher UAB Ekspress Leidyba in Lithuania, the latter having been merged into Delfi Lithuania on 1 July 2014.

This segment also includes joint ventures AS SL Õhtuleht (publisher of Õhtuleht and Linnaleht), magazine publisher AS Ajakirjade Kirjastus and home delivery company AS Express Post.

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		
Delfi Lithuania	www.delfi.lt	AS SL Õhtuleht	www.ohtuleht.ee
	ru.delfi.lt		

Classified portals owned by the Group

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

(EUR thousand)	Sales			EBITDA		
	Q4 2014	Q4 2013	Change %	Q4 2014	Q4 2013	Change %
Delfi Estonia	1 460	1 217	20%	230	169	36%
Delfi Latvia	786	683	15%	95	96	-1%
Delfi Lithuania (incl. Ekspress Leidyba)	2 250	2 085	8%	461	464	-1%
incl. online revenue of Delfi Lithuania	*1 679*	*1 416*	*19%*			
Delfi Ukraine	0	17	-100%	0	(40)	100%
AS Eesti Ajalehed	2 905	3 288	-12%	149	184	-19%
OÜ Hea Lugu	202	431	-53%	23	20	15%
Other companies (Delfi Holding)	0	0	-	145	122	19%
Intersegment eliminations	(68)	(104)	34%	(0)	(0)	-
TOTAL (subsidiaries)	**7 535**	**7 617**	**-1%**	**1 103**	**1 014**	**9%**
AS SL Õhtuleht*	1 022	964	6%	127	53	142%
AS Ajakirjade Kirjastus*	1 205	1 136	6%	104	75	39%
AS Express Post*	654	605	8%	114	73	57%
Intersegment eliminations	(275)	(279)	1%	(0)	(0)	-38%
TOTAL (joint ventures)	**2 606**	**2 426**	**7%**	**344**	**200**	**72%**
TOTAL segment by proportional consolidation	**10 141**	**10 043**	**1%**	**1 448**	**1 214**	**19%**

*Proportional share of joint ventures

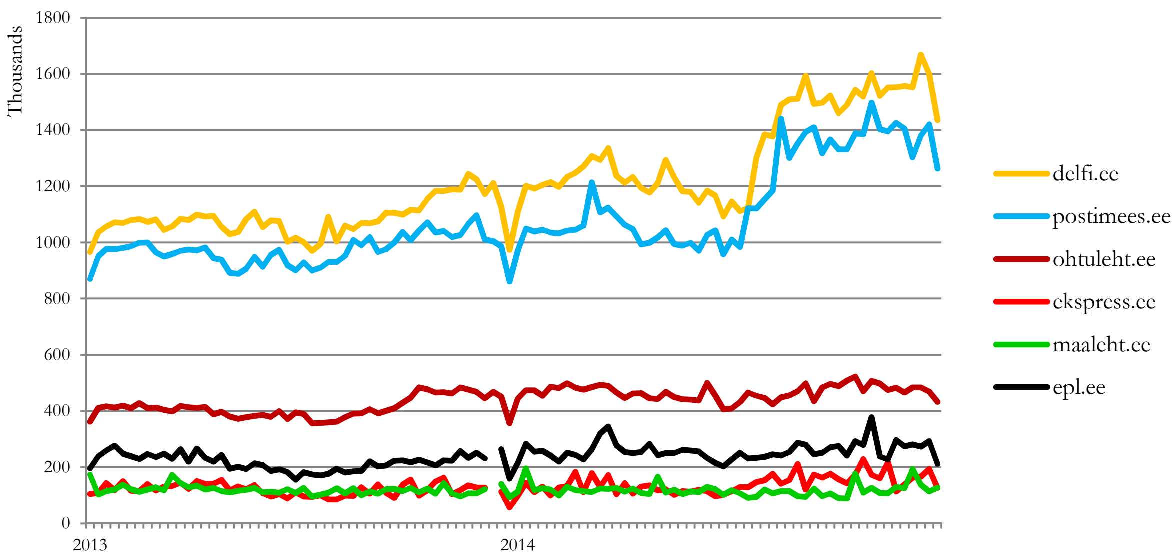
(EUR thousand)	Sales 12 months 2014	Sales 12 months 2013	Sales Change %	EBITDA 12 months 2014	EBITDA 12 months 2013	EBITDA Change %
Delfi Estonia	5 020	4 101	22%	575	291	98%
Delfi Latvia	2 562	2 378	8%	90	133	-32%
Delfi Lithuania (incl. Ekspress Leidyba)	8 047	7 439	8%	1 295	1 056	23%
incl. online revenues of Delfi Lithuania	*5 557*	*4 806*	*16%*			
Delfi Ukraine	2	53	-96%	(51)	(195)	74%
AS Eesti Ajalehed	11 330	11 235	1%	539	369	46%
OÜ Hea Lugu	792	987	-20%	94	55	71%
Other companies	0	0	-	479	421	14%
Intersegment eliminations	(294)	(351)	16%	3	(7)	-
TOTAL (subsidiaries)	**27 459**	**25 842**	**6%**	**3 025**	**2 123**	**42%**
AS SL Õhtuleht*	3 909	3 734	5%	356	221	61%
AS Ajakirjade Kirjastus*	4 224	4 036	5%	257	172	49%
AS Express Post*	2 415	2 351	3%	372	279	33%
Additional eliminations	(1 077)	(1 008)	-7%	2	(3)	168%
TOTAL (joint ventures)	**9 471**	**9 112**	**4%**	**987**	**670**	**47%**
TOTAL segment by proportional consolidation	**36 930**	**34 955**	**6%**	**4 013**	**2 792**	**44%**

*Proportional share of joint ventures

Delfi Estonia

- Further development of Delfi TV on a standalone new platform and the increasing number of live webcasts under the Delfi TV brand. Major projects included, already for the second year events dedicated to the anniversary of the Republic of Estonia, reports from Olympic Games, FIBA World Cup, Song and Dance Festival, visit of US President Barack Obama in Estonia, streams from basketball matches abroad and webcasts from games of 5 different Estonian leagues etc.
- Websites for weather and jokes were renewed. The latter was re-named www.igav.ee.
- A new verticals were launched: www.kasulik.ee aimed at regular consumers, www.elutark.ee directed to elderly people, www.catwalk.ee intended for people with interest on fashion.
- Cooperation with the New Age portal www.alkeemia.ee.
- Cross Baltic development of portal www.zave.ee, intented for information about discount offers in the city.
- Launching of a new comments' section which has increased the number of comments posted by registered users.
- Delfi's mobile application was renewed.
- Delfi celebrated it's 15th birthday in November. "A day with Delfi" was presented for showing to the users how Delfi everyday work is being done and news produced.

Estonian online readership 2013-2014



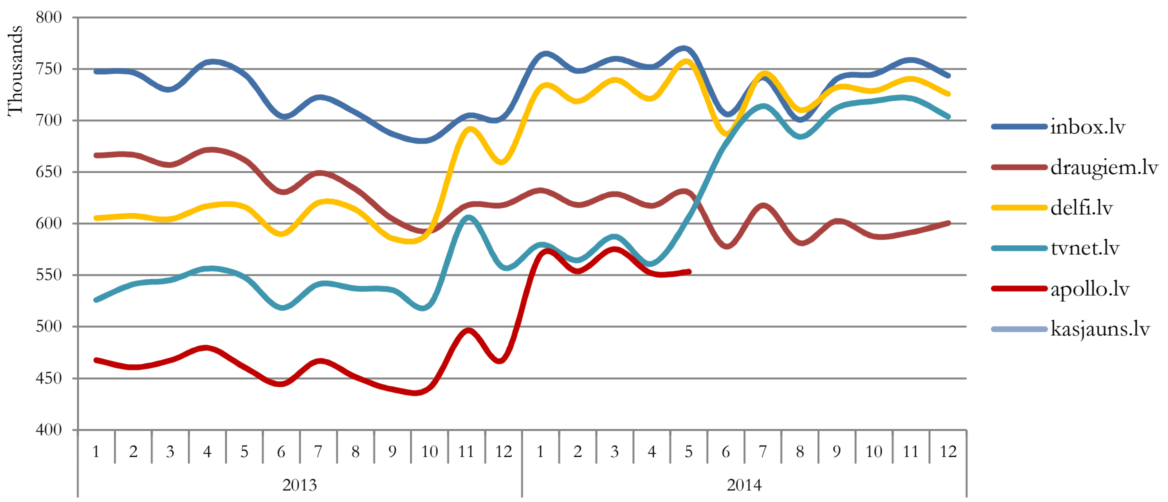
TNSMetrix weekly audience survey

In the third quarter 2014, TNS Emor changed the methodology of its TNS Metric survey, which explains the sharp increase in the number of users. The main essence of the change is more accurate measurement and separate reporting of the number of mobile users. As a result of this change, Delfi remains the largest news portal in Estonia. This applies both to the number of PC and mobile users who visit the news portals. The increase of the usres in Estonian internet market can be also explained by the increasing number of mobile users using smartphones. This will remain the key priority for news organisations to serve mobile users.

Delfi Latvia

- In July and August, Delfi was the largest online portal in Latvia succeding also the local e-mail provider inbox.lv.
- Delfi TV streams based on a new platform from such events as matches of the Latvian basketball league and ice hockey league, an exclusive cabaret show from Concert Hall Palladium, opening of the National Library, etc.
- During the year many new verticals have been launched: travel site www.turismagids.lv both in Latvian and Russian, humour website www.loli.lv, new weather portal www.laika-zinas.lv, home and garden portal www.majadarzs.lv, new portal for women www.vina.lv, Russian portals covering politics www.spektr.lv, easy reading portals aimed at younger generation in Latvian www.skats.lv and Russian www.tchk.lv, health portal www.rutks.lv.
- Cross Baltic development of portal www.zave.lv, intented for getting overview about discount offers in the city.
- Media partner for several cooperation projects and teams:
    - Latvian Music Awards „The Great Music Award"
    - Positivus Festival and several Latvian music bands
    - Baltic Pearl Film and International Film Festival
    - Marketing Festival „Password" and international advertising festival "Golden Hammer 2014"
    - Riga Fashion Week
    - Riga Marathon
    - Latvian national ice-hockey team
    - Award of the year in Sports etc.

Latvian online readership 2013-2014



GemiusAudience monthly audience survey

In July and August 2014, Delfi.lv became Latvia's largest online portal for the first time, exceeding the readership of inbox.lv. In September, however, Inbox.lv had again more users than Delfi.lv. In spite of the merger of tvnet.lv and apollo.lv in the 2nd quarter, their readership has not exceeded that of Delfi. In addition, the first available data on the number of users of mobile equipment are very favourable for Delfi.lv. Delfi is exceeding Latvian competitors in terms of mobile equipment by more than 20%.

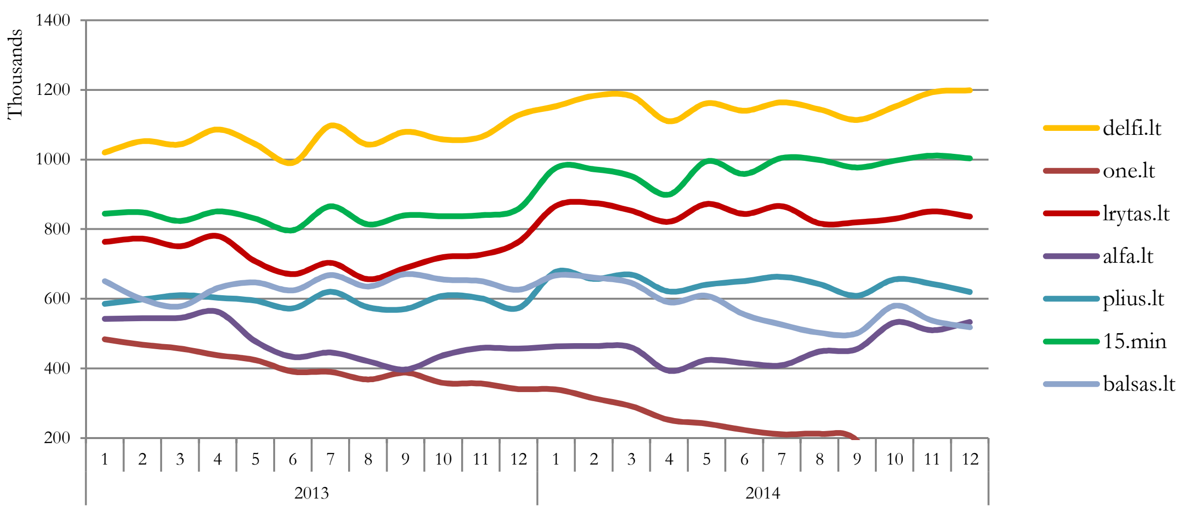
During the 4th quarter competitive situation remained stable with inbox.lv holding the first position in readership numbers. Delfi has been holding the second position and has been the most read newsportal in Latvia.

Starting from January 2014, the method of the Gemius online survey has changed. The readership in 2014 includes only results for computer users (PC) and excludes all mobile equipment. Separate statistics on mobile equipment will be created in the beginning of 2015.

Delfi Lithuania

- In November and December DELFI news portal achieved its all time high readership records.
- Delfi TV was launched on a new platform and has produced live webcast and streams from such events as Login, the largest tech conference in the Baltic states, ideas conference Tedx Vilnius, Davis Cup tennis match between Lithuania and Norway, various fashion and theatre events, Geneva Automotive Show, etc. DELFI signed long lasting contracts with National Basketball League and Lithuanian Basketball Federation and got an exclusive internet streaming rights to broadcast more than 700 sport streams in 2015.
- Delfi TV launched a daily TV programme with news in brief that in 2 minutes wraps up the most important and interesting news and produced several documentary series.
- New TV channels „Moteris TV“ (“Lithuanian Woman”) and „Mano namai TV“ (“My Home”) were launched.
- Several new verticals were launched and existing sub-sites were renewed. New jokes site www.galjuokauji.lt, a special co-site kablys.delfi.lt dedicated to fisherman audience, a new Delfi English Channel.
- Co-operation projects such as: special co-site dedicated to auto fans in a partnership with Top Gear magazine, two major on-line automotive projects with the partners "Top Gear Awards" and "Car of the Year" to attract more male audience, special project with www.Kur.lt Lithuanian entertainment guide aimed at young city audience, a food order platform lekste.lt was integrated into Delfi recipes vertical www.1000receptu.lt.
- The layout of the mobile application was renewed and information was added, making Delfi the most popular newsportal in mobile phones and tablet PCs.
- DELFI changed social media strategy and dedicated additional resources within organization. Due to those activities significatly increased effectiviness in working with social media.
- Delfi and the Lithuanian magazine publisher Ekspress Leidyba were merged into one media house enabling further synergies between those two companies.

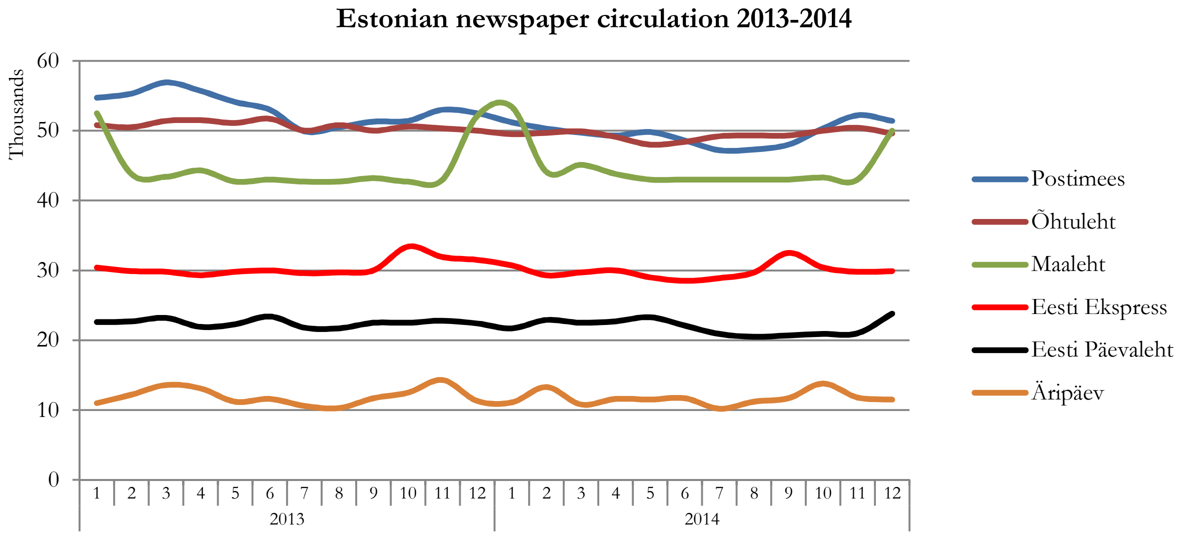
Lithuanian online readership 2013-2014



GemiusAudience monthly weekly audience survey

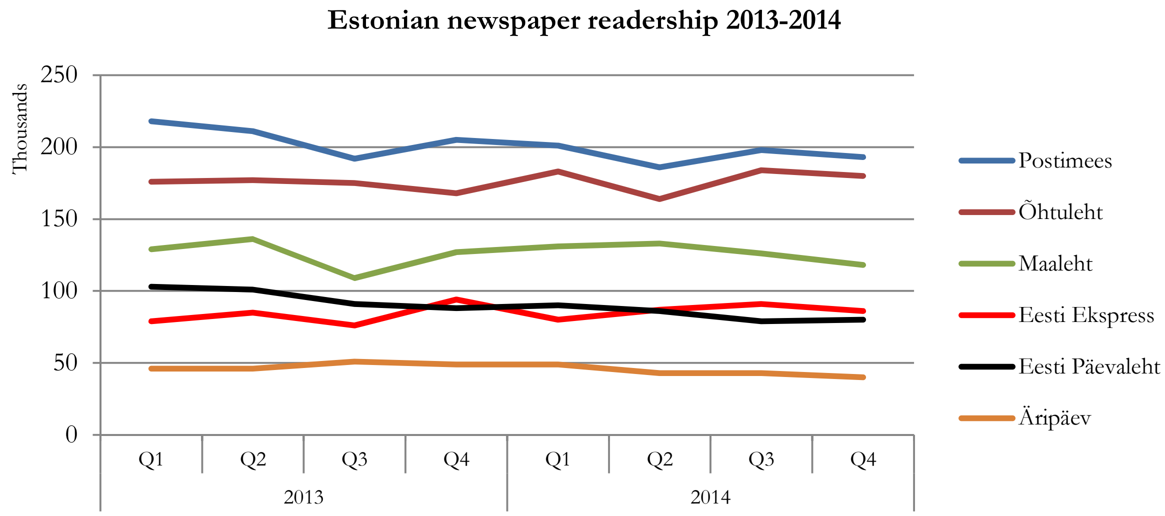
Delfi continues to be the largest online portal in Lithuania. In the 4th quarter, there were no major changes in preferences of Internet users in Lithuania. The initial data about the users of mobile equipment shows that the competition in this segment in Lithuania is very tough and other portals are closer to Delfi in readership than in computer users (PC). Delfi ended year with a new record of monthly real users – 1.198.737 and reached the highest gap between Delfi and 15min.lt – 19,45%. Starting from January 2014, the method of the Gemius online survey has changed. The readership in 2014 includes only results for computer users (PC) and excludes all mobile equipment. Separate statistics on mobile equipment will be created in the beginning of 2015.

Print-media in Estonia



Estonian Newspaper Association data

Circulations of Estonian newspapers have remained stable or are falling moderately. The circulation of daily newspapers is falling faster than that of weekly newspapers. As of the 4th quarter 2014, there has also been a significant development in the market – Õhtuleht has been the newspaper with the largest circulation in Estonia for three consecutive months. Other Group publications also performed well during the second half of the year, with all Eesti Päevaleht, Maaleht and Eesti Ekspress increasing circulation. One also needs to add to these figures the number of subscribers of digital newspapers which totalled more than 10 thousand for both Eesti Ekspress and Eesti Päevaleht, as of the end of the 2014.



Turu-uuringute AS

Over the recent two years, newspaper readership has been fairly stable. Õhtuleht has been one of the most successful newspaper brand, that has been growing it's readership. Other two daily newspapers, Postimees and Eesti Päevaleht, has been losing readers. Weekly newpapers are also in a stable readership trend. The number of readers of digital newspapers of the Group is not included in the above figures and the number of readers of all publications of the Group is higher than shown in the graph above.

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).

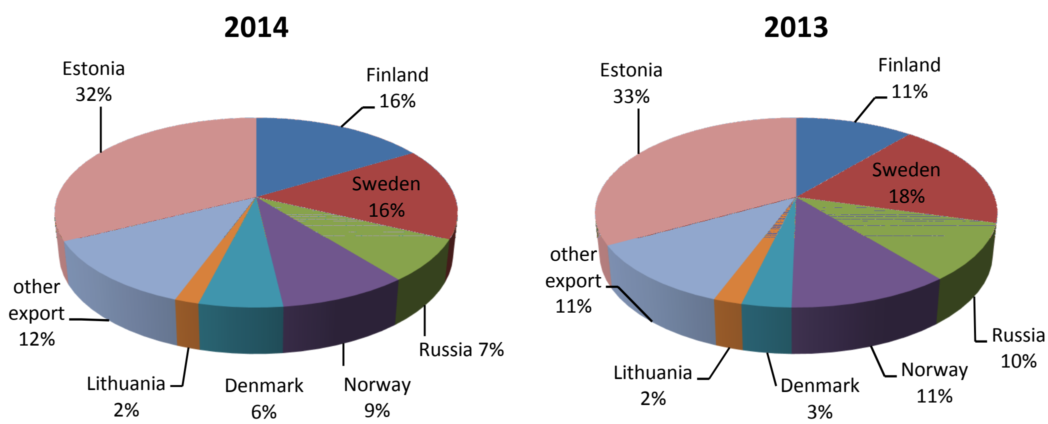
(EUR thousand)	Sales			EBITDA		
	Q4 2014	Q4 2013	Change %	Q4 2014	Q4 2013	Change %
AS Printall	8 083	7 566	7%	1 623	1 604	1%

(EUR thousand)	Sales			EBITDA		
	12 months 2014	12 months 2013	Change %	12 months 2014	12 months 2013	Change %
AS Printall	28 951	27 462	5%	5 944	5 862	1%

In 2014 AS Printall managed to increase its revenues 5%, out of which 5.7% is allocated to increase of services provided and 5.2% sales of paper. Due to changes in political landscape there have been changes in the structure of export markets where the share of Russia continues to decrease.

In June, AS Printall signed a contract for the acquisition of a new sheetfed printing machine. The machine will be used for printing magazine covers, small-circulation magazines and advertising products. The production will start at the beginning of 2015. Approximately 2/3 of the acquisition cost is financed with a long-term loan.

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. Printall has been 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.

SHARES AND SHAREHOLDERS OF AS EKSPRESS GRUPP

As of 31.12.2014, 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 December 2013, 31 December 2012 and 31 December 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 December 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 share with the price of EUR 0.88 were issued, of which the share premium was EUR 0.24 per share.

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.

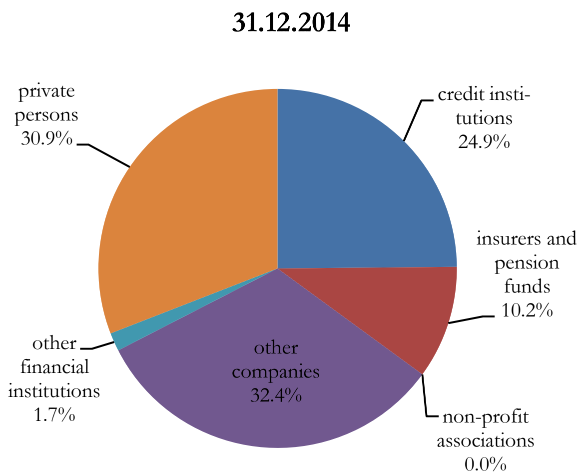
Structure of shareholders as of 31.12.2014 according to the Estonian Central Register of Securities

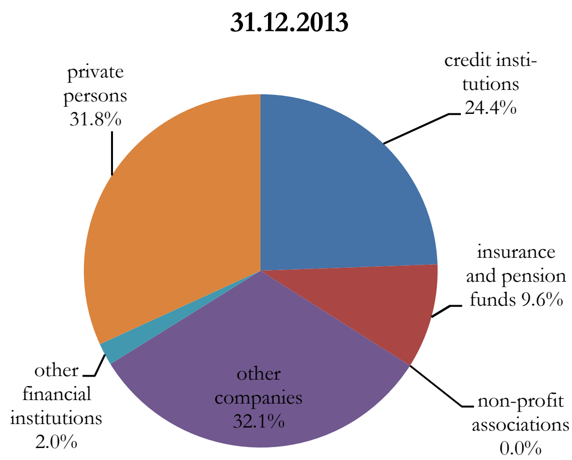
Name	Number of shares	%
Hans Luik	16 582 532	55.65%
Hans Luik	*7 963 307*	*26.73%*
Hans Luik, OÜ HHL Rühm	*8 612 325*	*28.90%*
Hans Luik , OÜ Minigert	*6 900*	*0.02%*
ING Luxembourg S.A.	4 002 052	13.43%
Skandinaviska Enskilda Banken Ab Clients	2 167 939	7.28%
LHV Bank and funds managed by LHV Varahaldus	2 179 441	7.31%
Members of the Management and Supervisory Boards and their close relatives	39 364	0.13%
Viktor Mahhov, OÜ Flexinger	*37 464*	*0.13%*
Pirje Raidma, OÜ Aniston Trade	*1 900*	*0.01%*
Other minority shareholders	4 763 524	15.99%
Treasury shares	61 989	0.21%
Total	**29 796 841**	**100.0%**

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	31.12.2014		31.12.2013	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Private persons	2 981	9 209 326	3 174	9 459 395
Other companies	262	9 656 142	288	9 574 560
Other financial institutions	61	492 505	68	586 852
Credit institutions	12	7 405 159	15	7 318 923
Insurance and pension funds	11	3 033 290	11	2 856 692
Non-profit associations	2	419	2	419
TOTAL	**3 329**	**29 796 841**	**3 558**	**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 (until May 2014)	Finasta Investment Bank

Payment **of dividends** is decided annually and it depends on the Group's results of operations, fulfilment of conditions laid down in the syndicated loan contract and potential investment needs.

Date of the General Meeting	24.05.2013	20.06.2014
Period for which dividends are paid	2012	2013
Dividend payment per share EUR	1 cent	1 cent
Total payment of dividends EUR thousand	298	298
Date of fixing the list of dividend recipients	07.06.2013	09.07.2014
Date of dividend payment	01.10.2013	02.10.2014

The table below shows the stock trading history 2010-2014

Price (EUR)	2014	2013	2012	2011	2010
Opening price	1.12	1.06	1.03	1.53	1.03
Closing price	1.14	1.14	1.06	1.03	1.53
High	1.14	1.22	1.18	1.84	1.62
Low	0.79	1.03	0.96	0.95	0.80
Average	1.03	1.13	1.04	1.32	1.28
Traded shares, pieces	1 389 244	1 395 363	1 247 945	3 909 472	3 856 572
Sales, millions	1.43	1.57	1.30	5.17	4.92
Capitalisation at balance sheet date, millions	33.97	33.97	31.58	30.72	45.53
P/E ratio (price earnings ratio)	6.65	31.45	12.51	18.24	na

The price of the share of Ekspress Group (EEG1T) in euros and the trading statistics on OMX Tallinn Stock Exchange from 1 January 2009 until 31 December 2014.

The share price comparison (%) with OMX Tallinn Stock Exchange index from 1 January 2009 until 31 December 2014.

SUPERVISORY AND MANAGEMENT BOARDS OF AS EKSPRESS GRUPP

The Supervisory Board of AS Ekspress Grupp has six members. At the General Meeting of Shareholders held on 20 June, a decision was made to recall Aavo Kokk and Ville Jehe from the Supervisory Board and elect Indrek Kasela and Jaak Ennuste AS new members. The terms of authority of other members were extended by five years until 2019.

Viktor Mahhov (appointed until 20.05.2019)
- Chairman of the Supervisory Board since 2006
- Eesti Energia Oil Shale Division, Finance Manager
- Completed graduate studies in economics at St. Petersburg University in 1992

Hans H. Luik (appointed until 20.05.2019)
- 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 (appointed until 20.05.2019) – independent Supervisory Board member
- 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

Kari Sakari Salonen (appointed until 20.05.2019)
- 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

Indrek Kasela (appointed from 20.06.2014 until 20.05.2019) - independent supervisory board member
- Member of the Supervisory Board since 2014
- Partner of the private equity fund Amber Trust
- supervisory board member of AS Premia Foods (incl. subsidiaries of the same group), AS Toode, ELKE Grupi AS, EPhaG AS, Salva Kindlustuse AS, AS Ridge Capital and management board member of OÜ Transtech Service, Fine, Wood and Company OÜ, Noblessneri Jahtklubi OÜ, Lindermann, Birnbaum & Kasela OÜ and Managetrade OÜ as well as several other companies in the Baltic States and Russia.
- Graduated from New York University in 1996 with a Master's degree in law. Bachelor's degree from Tartu University in 1994, has a certificate in EU law from Uppsala University.

Jaak Ennuste (appointed from 20.06.2014 until 20.05.2019) - independent supervisory board member
- Member of the Supervisory Board since 2014
- supervisory board member and partner of e-marketing agency ADM Interactive
- supervisory board member and partner of Mediabrands Digital
- Graduated *cum laude* from Tallinn University of Technology in 1989 with a degree in engineering and finished Accelerated Development programme at London Business School in 2001.

Aavo Kokk (recalled 20.06.2014)
- 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

Ville Jehe (recalled 20.06.2014) – independent supervisory board member
- Member of the Supervisory Board since 2008
- Member of the Management Board of OÜ Majatohter, OÜ Catelit, ABC Kinnisvarateenuste OÜ etc.
- Graduated from the Faculty of Automation of Tallinn University of Technology in 1993

Management Board

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.

<u>Gunnar Kobin (term of contract until 31.12.2016)</u>
- 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

<u>Andre Veskimeister (term of contract until 16.12.2017)</u>

- 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

<u>Pirje Raidma (term of contract until 16.12.2017)</u>

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)

(EUR thousand)	31.12.2014	31.12.2013
ASSETS		
Current assets		
Cash and cash equivalents	3 656	2 111
Term deposit	19	98
Trade and other receivables	6 519	6 774
Corporate income tax prepayment	37	45
Inventories	2 072	2 329
Total current assets	**12 303**	**11 357**
Non-current assets		
Term deposit	1 600	0
Trade and other receivables	1 170	269
Deferred tax asset	65	130
Investments in joint ventures	500	1 543
Investments in associates	164	0
Property, plant and equipment (Note 6)	14 506	13 595
Intangible assets (Note 6)	46 287	48 362
Total non-current assets	**64 292**	**63 899**
TOTAL ASSETS	**76 595**	**75 256**
LIABILITIES		
Current liabilities		
Borrowings (Note 8)	5 213	3 760
Trade and other payables	6 249	8 436
Corporate income tax payable	19	63
Total current liabilities	**11 481**	**12 259**
Non-current liabilities		
Long-term borrowings (Note 8)	17 939	20 672
Total non-current liabilities	**17 939**	**20 672**
TOTAL LIABILITIES	**29 420**	**32 931**
EQUITY		
Share capital (Note 12)	17 878	17 878
Share premium	14 277	14 277
Treasury shares (Note 12)	(64)	0
Reserves (Note 12)	1 440	1 250
Retained earnings	13 644	8 848
Currency translation reserve	0	72
TOTAL EQUITY	**47 175**	**42 325**
TOTAL LIABILITIES AND EQUITY	**76 595**	**75 256**

The Notes presented on pages 35-54 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q4 2014	Q4 2013	12 months 2014	12 months 2013
Sales revenue	14 454	14 291	52 793	50 086
Cost of sales	(10 781)	(10 852)	(40 688)	(39 195)
Gross profit	**3 673**	**3 439**	**12 105**	**10 891**
Other income	132	201	470	542
Marketing expenses	(600)	(622)	(2 011)	(1 864)
Administrative expenses	(1 495)	(1 813)	(5 438)	(5 396)
Other expenses	(49)	(30)	(153)	(102)
Gain from change in ownership interest in joint ventures (Note 5)	978	0	1 933	0
Impairment of goodwill and trademarks	(1 443)	(2 467)	(1 443)	(2 467)
Operating profit/(loss)	**1 196**	**(1 292)**	**5 463**	**1 604**
Interest income	22	1	27	5
Interest expense	(158)	(185)	(689)	(763)
Foreign exchange gains/(losses)	(3)	(46)	33	(71)
Other finance costs	42	16	(90)	(58)
Total finance income/costs	**(181)**	**(246)**	**(719)**	**(887)**
Profit on shares of joint ventures	182	174	557	494
Profit (loss) on shares of associates	39	20	23	20
Profit before income tax	**1 236**	**(1 344)**	**5 324**	**1 231**
Income tax expense	(100)	(66)	(214)	(150)
Net profit /(loss) for the reporting period	**1 136**	**(1 410)**	**5 110**	**1 081**
Net profit/(loss) for the reporting period attributable to:				
Equity holders of the parent company	1 136	(1 410)	5 110	1 081
Other comprehensive income (expense) that may be subsequently reclassified to profit or loss				
Currency translation differences	0	45	(34)	58
Total other comprehensive income (expense)	**1 136**	**(1 365)**	**5 076**	**1 139**
Comprehensive income (expense) for the reporting period				
Attributable to equity holders of the parent company	1 136	(1 365)	5 076	1 139
Basic and diluted earnings per share (Note 10)	0.04	(0.05)	0.17	0.04

The Notes presented on pages 35-54 form an integral part of the consolidated interim report.

Consolidated statement of changes in equity (unaudited)

(EUR thousand)	Share capital	Share premium	Treasury shares	Reserves	Currency translation reserve	Retained earnings	Total equity
Balance on 31.12.2012	**17 878**	**14 277**	**0**	**740**	**14**	**8 190**	**41 099**
Increase of statutory reserve capital	0	0	0	126	0	(126)	**0**
Dividend paid	0	0	0	0	0	(298)	**(298)**
Share option	0	0	0	384	0		**384**
Total transactions with owners	*0*	*0*	*0*	*510*	*0*	*(423)*	***87***
Net profit for the reporting period	0	0	0	0	0	1 081	**1 081**
Other comprehensive income	0	0	0	0	58		**58**
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*58*	*1 081*	***1 139***
Balance on 31.12.2013	**17 878**	**14 277**	**0**	**1 250**	**72**	**8 848**	**42 325**
Increase of statutory reserve capital	0	0	0	54	0	(54)	**0**
Dividend paid	0	0	0	0	0	(298)	**(298)**
Purchase of treasury shares	0	0	(64)	0	0	0	**(64)**
Share option	0	0	0	136	0	0	**136**
Total transactions with owners	*0*	*0*	*(64)*	*190*	*0*	*(352)*	***(226)***
Net profit for the reporting period	0	0	0	0	0	5 110	**5 110**
Reversal of currency translation reserve	0	0	0	0	(38)	38	**0**
Other comprehensive income	0	0	0	0	(34)	0	**(34)**
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*(72)*	*5 148*	***5 076***
Balance on 31.12.2014	**17 878**	**14 277**	**(64)**	**1 440**	**0**	**13 644**	**47 175**

The Notes presented on pages 35-54 form an integral part of the consolidated interim report.

Consolidated cash flow statement (unaudited)

(EUR thousand)	12 months 2014	12 months 2013
Cash flows from operating activities		
Operating profit for the reporting year	5 463	1 604
Adjustments for:		
Depreciation, amortisation and impairment (Note 6)	2 921	2 521
Loss on trademark and goodwill impairment (Note 6)	1 443	2 467
Gain from change in ownership interest in joint ventures (Note 5)	(1 933)	0
(Gain)/loss on sale and write-down of property, plant and equipment	6	(30)
Change in value of share option (Note 11)	136	384
Cash flows from operating activities:		
Trade and other receivables	334	72
Inventories	251	242
Trade and other payables	(2 250)	16
Cash generated from operations	**6 371**	
Income tax paid	(185)	(240)
Interest paid	(692)	(794)
Net cash generated from operating activities	**5 494**	
Cash flows from investing activities		
Term deposit (placement)/release	(1 600)	0
Received on restructuring of joint ventures	2 354	0
Investments in joint ventures (Note 5)	(3)	0
Acquisition of associate	(135)	0
Acquisition of subsidiary	0	(327)
Purchase of other investments	0	(15)
Interest received	6	34
Purchase of property, plant and equipment (Note 6)	(3 101)	(769)
Proceeds from sale of property, plant and equipment	13	107
Loans granted	(24)	(3)
Loan repayments received	7	6
Net cash used in investing activities	**(2 483)**	**(967)**
Cash flows from financing activities		
Dividends paid	(298)	(298)
Dividend received from joint ventures	203	312
Finance lease repayments	(75)	(25)
Change in use of overdraft	1 117	(745)
Loan received	1 346	0
Repayments of bank loans	(3 695)	(3 600)
Purchase of treasury shares (Note 12)	(64)	0
Net cash used in financing activities	**(1 466)**	**(4 357)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**1 545**	**918**
Cash and cash equivalents at the beginning of the year	2 111	1 193
Cash and cash equivalents at the end of the year	3 656	2 111

The Notes presented on pages 35-54 form an integral part of the consolidated interim report.

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 on 19 February 2015.

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

Company name	Status	Ownership interest 31.12.2014	Ownership interest 31.12.2013	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: media (online and print 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%	100%	Online media (in a merger process with Delfi Latvia)	Latvia
Delfi AS	Subsidiary	100%	100%	Online media	Estonia
Delfi UAB	Subsidiary	100%	100%	Online media and magazine publishing (merged with UAB Ekspress Leidyba on 1 July 2014)	Lithuania
UAB Sport Media	Subsidiary	51%	51%	Online broadcasting of basketball events (currently dormant)	Lithuania
Medipresa UAB	Associate	40%	40%	Wholesale of magazines-newspapers (owned by UAB Ekspress Leidyba until 1 July 2014)	Lithuania
TOV Delfi	Subsidiary	-	100%	Online media (sold for the purpose of liquidation in March 2014)	Ukraine
UAB Ekspress Leidyba	Subsidiary	-	100%	Magazine publishing (merged with Delfi UAB on 1 July 2014)	Lithuania
AS Eesti Ajalehed	Subsidiary	100%	100%	Publishing of daily and weekly newspapers	Estonia
OÜ Hea Lugu	Subsidiary	100%	100%	Book publishing	Estonia
AS Ajakirjade Kirjastus	Joint venture	50%	50%	Magazine publishing	Estonia
AS SL Õhtuleht	Joint venture	50%	50%	Newspaper publishing	Estonia
AS Express Post	Joint venture	50%	50%	Periodicals' home delivery	Estonia
Adnet media UAB	Associate	49%	-	Online advertising solutions and network (acquired in Sept 2014)	Lithuania
Adnet Media OÜ	Associate	49%	-	Online advertising solutions and network (acquired in Sept 2014)	Estonia
Adnet media SIA	Associate	49%	-	Online advertising solutions and network (acquired in Sept 2014)	Latvia
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 the period of 12 months of 2014 ended 31 December 2014 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 December 2013.

The Management Board estimates that the interim consolidated financial statements for 12 months of 2014 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. Accounting policies and bases of preparation

Standards, amendments to standards and interpretations which became mandatory for the Group from 1 January 2014 and which impact the Group's interim financial statements.

IFRS 11, Joint Arrangements will replace the standard IAS 31 "Interest in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". Amendments in definitions have reduced the types of joint arrangements to two – joint operations and joint ventures. The current accounting policy choice of proportionate consolidation has been eliminated for jointly controlled entities. Those with an ownership interest in joint ventures are required to use the equity method. This standard had a material impact on the Group's financial statements because proportionate consolidation was applied in prior periods to the financials of the joint ventures AS Ajakirjade Kirjastus, AS SL Õhtuleht and AS Express Post in the periodicals segment. As a result of the change, the Group's sales and expenses decrease, and the assets and liabilities also decrease. This change has no impact on the Group's net profit. Please refer to the impact of the amendment in the tables below.

***Transition Guidance* – amendments to IFRS 11 and IFRS 12**

The amendments also provide additional relief for transitional rules in IFRS 11 "Joint Ventures" and IFRS 12 "Disclosure of Interest in Other Entities", clarifying that disclosures about restated comparatives shall be made only for the immediately preceding year.

Accounting policies and valuation bases

The accounting policies and valuation bases used in the preparation of the consolidated interim financial statements are the same as last year, other than those described below. When the accounting policies, presentation of items or classification methods have been changed, the comparative information of the previous periods has also been reclassified.

Recognition of joint ventures

In prior years, the Group's interests in jointly controlled entities were accounted for by proportionate consolidation whereby the Group combined its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The purchase method of accounting is used to account for the acquisition of joint ventures similarly to the acquisition of subsidiaries by the Group. From 1 January 2014, proportionate consolidation is no longer permitted and according to IFRS 11 "Joint Ventures", joint ventures are accounted for under the equity method. The cost of investments made into joint ventures was calculated as of 1 January 2013, which is the net cost of the assets and liabilities of joint ventures plus goodwill. The comparative information for 2013 has been changed to comply with the new accounting policies and they include joint ventures AS SLÕhtuleht, AS Ajakirjade Kirjastus and AS Express Post recognised already under the equity method.

Income statement Q4 2013	2013 interim financial statements	Change				Comparative information in in the interim financial statements for 2014
		AS SL Õhtuleht	AS Ajakirjade Kirjastus	AS Express Post	Elimi-nations	
Income	16 526	(964)	(1 136)	(605)	470	14 291
Expenses	(15 178)	923	1 070	538	(470)	(13 116)
Operating profit	**1 348**	**(41)**	**(66)**	**(67)**	**0**	**1 175**
Income tax expense	(66)	0	0	0	0	(66)
Profit under equity method	0	41	66	67	0	174
Net profit	1 057	0	0	0	0	1 057

Income statement 2013 12 months	2013 interim financial statements	Change				Comparative information in in the interim financial statements for 2014
		AS SL Õhtuleht	AS Ajakirjade Kirjastus	AS Express Post	Elimi-nations	
Income	58 427	(3 734)	(4 036)	(2 351)	1 779	50 086
Expenses	(53 780)	3 553	3 897	2 095	(1 779)	(46 015)
Operating profit	**4 647**	**-181**	**-139**	**-256**	**0**	**4 071**
Income tax expense	(233)	37	1	45	0	(150)
Profit under equity method	0	145	138	211	0	494
Net profit	3 548	0	0	0	0	3 548

Balance sheet as of 31.12.2013	2013 annual report	Change				Comparative information in in the interim financial statements for 2014
		AS SL Õhtuleht	AS Ajakirjade Kirjastus	AS Express Post	Elimi-nations	
Current assets	14 447	(915)	(1 292)	(1 759)	876	11 357
Non-current asset	63 019	(88)	(511)	(45)	(20)	62 355
Investments in joint ventures	0	288	920	315	20	1 543
TOTAL ASSETS	**77 466**	**(715)**	**(883)**	**(1 489)**	**876**	**75 255**
incl. cash and bank	*4 501*	*(723)*	*(179)*	*(1 390)*	*0*	*2 209*
incl. goodwill	*40 052*	*0*	*(456)*	*0*	*0*	*39 596*
Current liabilities	14 468	(714)	(883)	(1 489)	876	12 258
Non-current liabilities	20 673	(1)	0	0	0	20 672
TOTAL LIABILITIS	**35 141**	**(715)**	**(883)**	**(1 489)**	**876**	**32 930**
incl. borrowings	*24 432*	0	0	0	0	*24 432*
EQUITY	**42 325**	**0**	**0**	**0**	**0**	**42 325**

Balance sheet as of 01.01.2013	2013 annual report	Change				Comparative information for the financial statements for 2014
		AS SL Õhtuleht	AS Ajakirjade Kirjastus	AS Express Post	Elimi-nations	
Current assets	13 545	(945)	(1 147)	(1 576)	870	10 747
Non-current asset	66 754	(63)	(523)	(37)	(23)	66 108
Investments in joint ventures	0	280	780	279	23	1 362
TOTAL ASSETS	**80 299**	**(728)**	**(890)**	**(1 334)**	**870**	**78 217**
incl. cash and bank	*3 280*	*(761)*	*(111)*	*(1 117)*	*0*	*1 291*
incl. goodwill	*41 093*	*0*	*(456)*	*0*	*0*	*40 637*
Current liabilities	14 967	(728)	(890)	(1 334)	870	12 885
Non-current liabilities	24 233	0	0	0	0	24 233
TOTAL LIABILITIES	**39 200**	**(728)**	**(890)**	**(1 334)**	**870**	**37 118**
incl. borrowings	*28 580*	*0*	*0*	*0*	*0*	*28 580*
EQUITY	**41 099**	**0**	**0**	**0**	**0**	**41 099**

Note 4. 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 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. term deposits) by credit ratings of the banks

Bank name	Moody`s	Standard & Poor`s	31.12.2014	31.12.2013
SEB	A1	A+	4 835	580
Swedbank	A2	A+	289	1 430
Nordea/Danske	Aa3/Baa1	A-/AA-	141	166
Other banks	-	-	0	13
Total			**5 265**	**2 189**

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 and credit limits. 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. All subsidiaries outsource reminder services in order to collect overdue receivables more effectively.

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. At the beginning clients' payment behaviour will be 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 case of large transactions, in particular in the segment of printing services, clients are requested to make prepayment or provide a guarantee letter.

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

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 subsidiaries and joint ventures prepare long term cash flow projections for the following year, which are adjusted on a quarterly basis. For monitoring short-term cash flows the subsidiaries prepare 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, factoring, 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 still quite high leverage, thus 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 all 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 and the resulting change in average interest rates of banks. Interest rate change by 1 percentage point would change the Group's loan interest expense by ca 200 thousand euros per year.

Type of interest	Interest rate	31.12.2014 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1-month Euribor + 2.5%	Syndicated loan (*Parent Company*)	3 139	11 931	15 070
	1-month Euribor + 2.5%	Syndicated loan *(Printall)*	665	4 805	5 470
	3-month Euribor + 2.7%	Syndicated loan Tranche D*(Printall)*	212	1 135	1 347
	1-month Euribor + 2.3%	Finance lease *(Printall, Delfi)*	80	69	149
	1-month Euribor + 1.9%	Overdraft	1 117	0	1 117

Type of interest	Interest rate	31.12.2013 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1-month Euribor + 2.5%	Syndicated loan (*Parent Company*)	3 043	15 076	18 119
	1-month Euribor + 2.5%	Syndicated loan *(Printall)*	643	5 472	6 115
	1-month Euribor + 2.3%	Finance lease *(Printall)*	73	125	198
	1-month Euribor + 1.9%	Overdraft	0	0	0

Foreign exchange risk

The Group's operating activities have an international dimension and therefore, the Group is somewhat exposed to foreign exchange risk. 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 the functional currency. The Group's income is primarily fixed in local currencies, i.e. the euros in Estonia and Latvia and Lithuanian litas in Lithuania. 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 outside of euro-zone and it also issues invoices denominated in Norwegian kroner and Swedish kronor. In addition, the Russian clients pay in Russian roubles, although the invoices issued have been denominated in euros and hence carry no exchange risk. The amounts received in foreign currencies are typically converted into euros immediately after their receipt, thereby reducing open foreign currency positions. Foreign exchange risk decreased year after year and is now on the level of 3-4% on average of the Group's revenue. No other means are used for hedging foreign exchange risk.

Financial assets and financial liabilities by currency as of 31.12.2014

(EUR thousand)	EUR	LTL	LVL	UAH	SEK	Other currencies	TOTAL
Assets							
Cash and cash equivalents	2 923	751	0	0	0	1	**3 675**
Receivables	5 820	1 564	0	0	154	16	**7 554**
Term deposit	1 600	0	0	0	0	0	**1 600**
Total financial assets	**10 343**	**2 315**	**0**	**0**	**154**	**17**	**12 829**
Liabilities							
Borrowings	23 152	0	0	0	0	0	**23 152**
Trade payables and accrued expenses	3 519	470	0	0	2	3	**3 995**
Total financial liabilities	**26 671**	**470**	**0**	**0**	**2**	**3**	**27 146**
Net foreign currency position	**(16 329)**	**1 845**	**0**	**0**	**152**	**14**	

Financial assets and financial liabilities by currency as of 31.12.2013

(EUR thousand)	EUR	LTL	LVL	UAH	SEK	Other currencies	TOTAL
Assets							
Cash and cash equivalents	1 669	435	103	2	0	0	**2 209**
Receivables	3 964	1 635	448	30	200	25	**6 303**
Total financial assets	**5 633**	**2 070**	**551**	**32**	**200**	**25**	**8 511**
Liabilities							
Borrowings	24 432	0	0	0	0	0	**24 432**
Trade payables and accrued expenses	5 243	578	249	25	11	7	**6 112**
Total financial liabilities	**29 675**	**578**	**249**	**25**	**11**	**7**	**30 545**
Net foreign currency position	**(24 042)**	**1 492**	**302**	**7**	**189**	**18**	

Price risk

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 different limits 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 four-eye principle is also applied during negotiations related to purchase and sales as well as other transactions. Drafts of important agreements prepared by law offices are reviewed by the management; in-house lawyers are also involved in the work process. The management considers the legal protection of the Group to be good.

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 common industry practice, the Group uses the debt to capital ratio to monitor its 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 the 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)	31.12.2014	31.12.2013
Interest-bearing debt	23 152	24 432
Cash and bank accounts	5 275	2 209
Net debt	17 877	22 223
Equity	47 175	42 325
Total capital	65 052	64 548
Debt to capital ratio	**27%**	**34%**
Total assets	76 595	75 255
Equity ratio	**62%**	**56%**

Note 5. Business combinations

Transactions with the shares of AS Ajakirjade Kirjastus and AS SL Õhtuleht in 2014

AS Ekspress Grupp and AS Eesti Meedia both owned 50% in joint ventures AS SL Õhtuleht, AS Ajakirjade Kirjastus and AS Express Post. On 10 October 2013, AS Ekspress Grupp submitted to AS Eesti Meedia a notice in which the Group wished to exercise the contractual right to purchase the shares that Eesti Meedia held in the joint ventures SL Õhtuleht, Ajakirjade Kirjastus and Express Post. This right was provided for the contracting parties in the event the major shareholder of the other party changes. On 12 September 2013 AS Eesti Meedia announced of the transfer of the ownerhip interest of its sole shareholder to the new owner. On 28 November 2013, the Estonian Competition Board issued a decision authorizing the concentration of AS Ekspress Grupp, OÜ Suits Meedia and AS SL Õhtuleht, AS Ajakirjade Kirjastus and AS Express Post. As a result of the decision, AS Ekspress Grupp was able to purchase the shares that AS Eesti Meedia owned in AS SL Õhtuleht, AS Ajakirjade Kirjastus and AS Express Post and to resell the shares to OÜ Suits Meedia.

Due to the different views on the fulfilment of the shareholder contract, the dispute was handled at the Court of Arbitration. On 9 May 2014, AS Ekspress Grupp and AS Eesti Meedia signed a compromise contract in the arbitration proceeding which was brought to a conclusion by the ruling of the Court of Arbitration on 6 June. Pursuant to the court decision, AS Ekspress Grupp paid a total of EUR 3.3 million to AS Eesti Meedia and received the shares of AS Ajakirjade Kirjastus and AS SL Õhtuleht, which it sold to OÜ Suits Meedia. The owners of AS Express Post remain the same, i.e. both AS Eesti Meedia as well AS Ekspress Grupp retain their 50% ownership interest in this joint venture.

In July, AS Ekspress Grupp reorganised its shareholdings in joint ventures AS SL Õhtuleht and AS Ajakirjade Kirjastus. Before the shareholdings were held directly in both companies, but starting from July, the shares were owned through new holding companies OÜ Ajaleht Holding and OÜ Ajakirjad Holding, respectively. Both AS Ekspress Grupp and OÜ Suits Meedia each owned 50% of the aforementioned holding companies. Holding companies were set up by monetary contributions to their share capital. AS Ekspress Grupp paid in EUR 1,250 into the share capital of each holding company. Shareholdings in joint ventures were sold to new holding companies at the market value, i.e. for the same amount they had been acquired from AS Eesti Meedia. The same course of action applied for OÜ Suits Meedia. As a result of these transactions, the new holding companies became 100% owners of joint ventures and in their consolidated balance sheets, all identifiable assets of the joint ventures are recognised at fair value, including trademarks, customer relations, etc. Also goodwill is recognised in the balance sheet, which is the difference between the paid price and fair value of identifiable assets and liabilities. For the acquisition of 100% shareholdings, the holding companies borrowed a total of EUR 3.2 million from the bank.

The table below shows 50% of the assets in the acquired entities as of 30 June 2014. As a result of the reorganisation, the financial income was recognised in the consolidated income statement in the amount of EUR 955 thousand in Q3 and EUR 978 thousand in Q4 that is attributable to the terminating of common joint ventures with AS Eesti Meedia and change in shareholdings. In November 2014 holding company OÜ Ajaleht Holding was merged with AS SL Õhtuleht and OÜ Ajakirjad Holding was merged with AS Ajakirjade Kirjastus.

(EUR thousand)	OÜ Ajaleht Holding & AS SL Õhtuleht (50%)		OÜ Ajakirjad Holding & AS Ajakirjade Kirjastus (50%)	
	Fair value	Carrying amount	Fair value	Carrying amount
Net assets	379	379	528	528
Trademark, customer relations and other intangible assets	759	0	385	23
Total identifiable assets	**1 139**	**379**	**915**	**551**
Goodwill	**809**		**469**	
Fair value of ownership interest	1 947		1 385	
Cash and cash equivalents in acquired company	800		385	
Bank loan received by companies	893		694	

Other acquisitions

On 30 September 2014 the acquisition of a 49% holding in **Adnet Media UAB**, an associate, was completed. The agreement of purchase and sale of shares was signed already in November 2013, but it was subject to the approval of the Lithuanian Competition Authority. On the basis of the agreement of purchase and sale of shares, the Group has an option to acquire the remaining 51% of the shares of Adnet Media at the start of 2017. The 49% holding was acquired for a cash consideration in the amount of EUR 135 thousand of which EUR 80 thousand was transferred on 30 September 2014 and EUR 55 thousand on 1 October 2014. Adnet Media is engaged in internet advertising sales in Estonia, Latvia and Lithuania. The purpose of the acquisition is to enlarge the advertising product portfolio in the online media segment. The purchase analysis of Adnet Media was prepared on the basis of the balance sheet as of 30.09.2014. The consolidated net assets of the company were negative and goodwill was recognised in the amount of EUR 135 thousand. The investment in the associate is recognised in the Group's consolidated report under the equity method and the arising goodwill is recognised in the balance sheet among the carrying value of the investment.

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 internet site in Latvia, targeting expecting and young mothers. The transaction was completed in July 2013 and a total of LTL 235 thousand (ca EUR 327 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 260 thousand. The investment in the subsidiary is accounted for line-by-line in the Group's consolidated annual report. If the Group had acquired Calis.lv at the start of the year, Group revenue would have higher by approximately EUR 70 thousand.

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 Cālis LV SIA as of 31 March 2013 and the balance sheet of Adnet media UAB as of 30 September 2014.

(EUR thousand)	Adnet media UAB (49%)		Cālis LV SIA	
	Fair value	Carrying amount	Fair value	Carrying amount
Net assets	(22)	(22)	1	1
Trademark	0	0	66	0
Total identifiable assets	**(22)**	**(22)**	**68**	**1**
Goodwill	**135**		**260**	
Cost of acquired ownership interest	135		327	
Cash paid for ownership interest	135		327	
Cash and cash equivalents in acquired company	6		0	
Total cash effect on the group	**(129)**		**(327)**	

Note 6. Property, plant and equipment

(EUR thousand)	Property, plant and equipment		Intangible assets	
	12 months 2014	12 months 2013	12 months 2014	12 months 2013
Balance at beginning of the period				
Cost	29 271	28 939	63 626	63 073
Accumulated depreciation and amortisation	(15 676)	(14 164)	(15 264)	(12 203)
Carrying amount	**13 595**	**14 775**	**48 362**	**50 870**
Acquisitions and improvements	2 886	773	241	221
Disposals (at carrying amount)	(4)	(17)	0	0
Write-offs and write-downs of PPE	(10)	(3)	(6)	0
Impairment loss	0	0	(1 443)	(2 467)
Reclassification	6	(22)	86	22
Acquired through business combinations	0	0	0	326
Depreciation and amortisation	(1 968)	(1 912)	(953)	(609)
Exchange rate correction	0	0	0	(1)
Balance at end of the period				
Cost	31 832	29 271	63 889	63 626
Accumulated depreciation and amortisation	(17 326)	(15 676)	(17 602)	(15 264)
Carrying amount	**14 506**	**13 595**	**46 287**	**48 362**

Information about the items of non-current assets pledged as loan collateral is disclosed in Note 8.

In June 2014, AS Printall concluded a contract to purchase a new sheet-fed printing machine for EUR 2.9 million (excl. VAT). As at the end of the year 80% of the total amount has been paid for and is included as a prepayment under acquisitions. Approximately 2/3 of the cost will be financed through a bank loan, the remainder is own financing.

Note 7. Intangible assets

Intangible assets by type

(in thousands)	EUR	
	31.12.2014	31.12.2013
Goodwill	38 153	39 596
Trademarks	7 469	8 120
Other intangible assets	665	645
Total intangible assets	**46 287**	**48 361**

Goodwill by cash-generating units and segments

(in thousands)	EUR	
	31.12.2014	31.12.2013
Delfi Estonia	15 281	15 281
Delfi Latvia	8 207	9 650
Delfi Lithuania	12 848	12 848
Maaleht (Eesti Ajalehed)	1 816	1 816
Total goodwill	**38 153**	**39 596**

The discounted cash flow method is used to determine **the recoverable value** and to calculate value in use in the impairment tests. For each business unit acquired, five-year cash flow forecasts have been prepared for the respective cash-generating units. Revenue growth, variable and fixed costs have been estimated of the basis of prior period results and future strategic plans. In the impairment tests, the nominal models are used.

The impairment test of Delfi Estonia includes the cash flows of the Estonian legal entity AS Delfi. The impairment test of Delfi Latvia includes the cash flows of the Latvian legal entity AS Delfi and also calis.lv which was acquired in 2013. The impairment test of Delfi Lithuania includes the cash flows of Lithuanian entity UAB Delfi, which incorporates the revenues from Alio business acquired in 2013 and also magazine publishing revenues from UAB Ekspress Leidyba which merged with Delfi in July 2014. Last year Ekspress Leidyba was assessed separately. The impairment test of Maaleht is based on the future cash flows of business of newspaper Maaleht, portal www.maaleht.ee and magazine Maakodu (not included in 2013).

The applied revenue growth rates are as follows:

Cash-generating unit	Next financial year		Years 2-5		Terminal value growth	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Delfi Estonia	7.8%	5.1%	10%	10-15%	3.5%	3.5%
Delfi Latvia	4.2%	9.5%	10-15%	10-15%	3.5%	4%
Delfi Lithuania (including Ekspress Leidyba in 2014)	6.9%	8.3%	6.3-7.2%	10%	3.5%	3.5%
Maaleht (Eesti Ajalehed)	1.5%	2.1%	0.7%	0%	0%	0%

The present value and the terminal value of the cash flows for the following five years were determined using the weighted average cost of capital as the discount rate, where the expected ROE is 11.5-12% (2013: 11.3-11.5%) and the return on debt is 3.8% in Estonia, 4.1% in Latvia and 4.3% in Lithuania (2013: 4.8%-5.7%). The debt to equity ratio is based on the latest average debt to equity ratio of 47.4% in publishing and newspapers sector provided by the database of Damodaran Online. The cost of equity has been calculated using CAPM (Capital Asset Pricing Model). The latest average unleveraged beta of the publishing and newspaper industry based on Damodaran Online database has been used as one component. The yields on long-term government bonds with maturities of close to ten years issued by Latvia and Lithuania provided by the European Central Bank have been used as the basis for determining the risk rates of these countries.

In respect of Estonia, the country's risk rate is based on the long-term euro bond yield of Germany, plus the risk coefficient for Estonia according to the database of Damodaran Online.

The applied discounts rates are as follows:

Cash-generating unit	31.12.2014	31.12.2013
Delfi Estonia	9.33%	9.70%
Delfi Latvia	9.14%	9.97%
Delfi Lithuania	9.44%	10.05%
Maaleht (Eesti Ajalehed)	9.33%	9.70%

The table below shows the recoverable and carrying amounts of cash-generating units, and the differences between them prior to recognition of an impairment loss. **The carrying amounts** include in addition to goodwill also trademarks, property, plant and equipment, other intangible assets and working capital. Negative difference between the recoverable and the carrying amount has been recongized as an impairment loss in the income statement.

(EUR thousand)	31.12.2014			31.12.2013		
	Recoverable Amount	Carrying amount (prior to impairment)	Difference	Recoverable amount	Carrying amount (prior to impairment)	Difference
Delfi Estonia	20 569	17 996	2 573	20 432	18 023	2 409
Delfi Latvia	10 741	12 184	(1 443)	12 600	12 192	408
Delfi Lithuania	33 077	16 171	16 906	28 639	15 666	12 973
Maaleht (Eesti Ajalehed)	6 827	1 532	5 295	3 384	1 915	1 469

The Group's management considers the key assumptions used for the purpose of impairment testing of all cash-generating units to be realistic. If there is a major unfavourable change in any of the key assumptions used in the test, an additional impairment loss may be recognised.

Due to continued uncertainty in Eurozone countries, unclear economic impact of sanctions on Russia, weaker outlook in print media sector and thus more conservative assumptions, the sensitivity of impairment tests is higher than in previous year. In Latvia there has been a shift in competition due to acquisitions in 2014 which have forced us to strengthen our editorial office and invest more in different online products.

The earnings of both Delfi Lithuania and Maaleht are high and their future expected cash flows exceed the carrying value of its related assets by amount where any reasonable change in underlying assumptions would not cause the necessity for impairment loss to be recognized.

The sensitivity of goodwill related to Delfi Estonia and Delfi Latvia is much greater. It would be necessary to recognise an impairment loss if revenue of Delfi Estonia increased on average less than 6,2% in 2016-2019, the residual value growth was more than 1 pp lower or the applied discount rate was higher than 0.8 pp. Regarding Delfi Latvia if in the forecasts for the period 2016-2019 each year revenue growth would only reach 10%, an additional impairment loss of EUR 1.1 million should be recognized. Decrease of terminal value growth by 1 pp would cause additional impairment loss in amount of EUR 1.4 million and the increase in the discount rate by 1 pp would cause an additional impairment loss in amount of EUR 1.7 million.

Note 8. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term	
		Up to 1 year	Between 1-5 years
Balance as of 31.12.2014			
Overdraft	**1 117**	1 117	0
Long-term bank loans	**21 887**	4 016	17 870
incl. syndicated loan (AS Ekspress Grupp)	**15 070**	3 139	11 931
incl. syndicated and mortgage loan (AS Printall)	**6 817**	877	5 940
Finance lease	**149**	80	69
Total	**23 153**	**5 213**	**17 939**
Balance as of 31.12.2013			
Overdraft	**0**	0	0
Long-term bank loans	**24 234**	3 687	20 548
incl. syndicated loan (AS Ekspress Grupp)	**18 119**	3 043	15 076
incl. syndicated and mortgage loan (AS Printall)	**6 115**	643	5 472
Finance lease	**198**	73	125
Total	**24 432**	**3 760**	**20 673**

The effective interest rates are very close to the nominal interest rates. The fair value of the loan liabilities is close to its book value as the interest rate is floating and related to euribor and the margin has been negotiated based on market terms. The loan liabilities are within level 3 of the fair value hierarchy.

Long term bank loan

In July 2012, a new syndicated loan contract was signed for refinancing all 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 contract include AS SEB Pank, Nordea Bank Estonian branch, AS Ekspress Grupp and AS Printall. The loan will mature on 25 July 2017. In June 2014 additional Term D facility agreement was signed in amount of 2,3 million euros in order to finance the purchase of new sheet-fed machine. Previous facilities carry the interest based on 1-month Euribor plus a margin of 2.5%. Term D facility carries interest based on 3-month Euribor plus a margin of 2.7%. Upon expiry of the loan contract, the outstanding loan balance will be approx. EUR 12 million.

The loan is 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, the value of all of which is included 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 31.12.2014, the carrying amount of the building was EUR 3.6 million and that of the registered immovable was 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. The ratios are checked by the auditor as of the balance sheet date.

Overdraft facilities

Date of contract	Bank	Limit (EUR thousand)	Used 31.12.2014 (EUR thousand)	Used 31.12.2013 (EUR thousand)	Interest rate	Expiration date of the contract
12.07.2012	Nordea Bank AB Estonia Branch	1 320	1 117	0	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**	**1 117**	**0**		

Note 9. 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 company perspective. Until June 2014, the Group divided its media companies into two different segments: online media and publishing of periodicals. Due to the fact that Lithuanian online media company UAB Delfi and magazine publisher UAB Ekspress Leidyba merged in July 2014 and that the publishers of periodicals are also more active in the online media market, the Group's media activities are combined into one media segment only. Thus leaving only two operating segments for the Group: media segment and printing services segment.

Media segment: management of online news portals and classified portals, advertising sales in own portals in the Baltics and publishing of newspapers, magazines, customer publications and books in Estonia and Lithuania.

This segment includes subsidiaries AS Delfi, AS Delfi (Latvia), UAB Delfi (Lithuania), Delfi Holding SIA (Latvia), AS Eesti Ajalehed (publisher of newspapers Eesti Ekspress, Maaleht and Eesti Päevaleht), OÜ Hea Lugu and UAB Ekspress Leidyba. Until 1 March 2014 it also included Delfi Ukraine, the operations of Delfi Ukraine were discontinued as the Group did not see a positive outlook for the future development in Ukraine. The costs related to liquidation of the business consisted of termination benefits of employees and premature termination of contracts in the amount of EUR 30 thousand that are included in the financial statements for the 1st quarter. The write-down of the trademark of Delfi Ukraine in the amount of EUR 0.5 million was already reflected in the consolidated results for 2013.

This segment also includes the joint ventures AS Ajakirjade Kirjastus, AS SL Õhtuleht and AS Express Post engaged in home delivery of periodicals. From 2014, joint ventures are not consolidated line-by-line, however some tables include their results and impact on the Group's figures.

The revenue of **the media segment** comes from sale of advertising banners and other advertising space and products in its own portals, sales of advertising space in newspapers and magazines, revenue from subscriptions and single copy sales of newspapers and magazines, sales of books and miscellaneous series, services fees for preparation of customer materials.

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

Segment revenue comes from the sale of paper and printing services.

The Group's corporate functions are shown separately and they do not form a separate business segment. It includes the Parent Company AS Ekspress Grupp, which provides legal advice and accounting services to its group companies, a subsidiary OÜ Ekspress Digital that provides intra-group IT services, and OÜ Ekspress Finance, the main activity of which is intra-group financing.

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 consolidated sales revenue 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 basis and they do not differ significantly from the conditions of the transactions concluded with third parties.

Q4 2014 (EUR thousand)	Media	Printing services	Corporate functions	Elimi-nations	Total Group
Sales to external customers (subsidiaries)	**7 530**	**7 405**	**11**	**(492)**	**14 454**
Effect of joint ventures	2 606	(253)	(2)	(27)	2 324
Inter-segment sales	4	931	450	(1 385)	0
Total segment sales, incl. joint ventures	10 141	8 083	459	(1 905)	16 778
EBITDA (subsidiaries)	**1 103**	**1 623**	**(313)**	**0**	**2 413**
EBITDA margin (subsidiaries)	15%	20%			17%
EBITDA incl. joint ventures	***1 448***	***1 623***	***(313)***	***(0)***	***2 757***
EBITDA margin incl. joint ventures	*14%*	*20%*			*16%*
Depreciation (subsidiaries) (Note 6)					751
Gain from change in ownership interest in joint ventures					978
Trademarks and goodwill impairment					(1 443)
Operating profit (subsidiaries)					1 196
Investments (subsidiaries) (Note 6)					2 010

12 months 2014 (EUR thousand)	Media	Printing services	Corporate functions	Elimi-nations	Total Group
Sales to external customers (subsidiaries)	**27 426**	**26 813**	**27**	**(1 473)**	**52 793**
Effect of joint ventures	9 471	(756)	(5)	(118)	8 592
Inter-segment sales	33	2 894	1 709	(4 636)	0
Total segment sales, incl. joint ventures	36 930	28 951	1 731	(6 228)	61 384
EBITDA (subsidiaries)	**3 025**	**5 944**	**(1 076)**	**0**	**7 894**
EBITDA margin (subsidiaries)	11%	21%			15%
EBITDA incl. joint ventures	***4 013***	***5 944***	***(1 076)***	***(3)***	***8 878***
EBITDA margin incl. joint ventures	*11%*	*21%*			*14%*
Depreciation (subsidiaries) (Note 6)					2 921
Gain from change in ownership interest in joint ventures					1 933
Trademarks and goodwill impairment					(1 443)
Operating profit (subsidiaries)					5 463
Investments (subsidiaries) (Note 6)					3 127

Q4 2013 (EUR thousand)	Media	Printing services	Corporate functions	Elimi- nations	Total Group
Sales to external customers (subsidiaries)	**7 616**	**7 006**	**3**	**(334)**	**14 291**
Effect of joint ventures	2 426	(178)	(1)	(12)	2 235
Inter-segment sales	1	738	391	(1 130)	0
Total segment sales, incl. joint ventures	10 043	7 566	393	(1 476)	16 526
EBITDA (subsidiaries)	**1 014**	**1 604**	**(763)**	**(40)**	**1 815**
EBITDA margin (subsidiaries)	13%	21%			13%
EBITDA incl. joint ventures	***1 214***	***1 604***	***(763)***	***(40)***	***2 015***
EBITDA margin incl. joint ventures	*12%*	*21%*			*12%*
Depreciation (subsidiaries) (Note 6)					661
Trademarks and goodwill impairment					(2 467)
Operating profit/(loss) (subsidiaries)					(1 292)
Investments (subsidiaries) (Note 6)					321

12 months 2013 (EUR thousand)	Media	Printing services	Corporate functions	Elimi- nations	Total Group
Sales to external customers (subsidiaries)	**25 834**	**25 343**	**15**	**(1 106)**	**50 086**
Effect of joint ventures	9 112	(718)	(5)	(49)	8 340
Inter-segment sales	8	2 837	1 520	(4 365)	0
Total segment sales, incl. joint ventures	34 955	27 462	1 530	(5 520)	58 427
EBITDA (subsidiaries)	**2 123**	**5 862**	**(1 356)**	**(38)**	**6 591**
EBITDA margin (subsidiaries)	8%	21%			13%
EBITDA incl. joint ventures	***2 792***	***5 862***	***(1 356)***	***(35)***	***7 264***
EBITDA margin incl. joint ventures	*8%*	*21%*			*12%*
Depreciation (subsidiaries) (Note 6)					2 521
Trademarks and goodwill impairment					(2 467)
Operating profit (subsidiaries)					1 604
Investments (subsidiaries) (Note 6)					992

Note 10. 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. Treasury shares owned by the Parent Company are not taken into account as shares outstanding.

EUR	Q4 2014	Q4 2013	12 months 2014	12 months 2013
Profit attributable to equity holders	1 136 305	(1 410 370)	5 110 132	1 081 074
Average number of ordinary shares	29 742 755	29 796 841	29 770 883	29 796 841
Basic and diluted earnings per share	0.04	(0.05)	0.17	0.04

Diluted earnings per share equal basic earnings on 31.12.2014 and 31.12.2013 as the Group has no any dilutive potential ordinary shares.

Note 11. Management Board's share option plan

In November 2013, the General Meeting of Shareholders approved a share option plan for the Management Board. Under the plan, in the first quarter 2017 the Chairman of the Management Board will be entitled to acquire up to 700 000 shares of AS Ekspress Grupp that the company will buy from the securities market at the market price. Of this amount, 300 000 free of charge shares have already been earned at the time when the option was issued. The remaining amount is to be earned during the contractual period between September 2013 and December 2016 in equal quantities for every month of employment. Part of the shares is fixed and part depends on the fulfilment of set goals that is assessed once a year after the end of the financial year. The company is neither under the obligation to buy back shares nor pay cash compensation for them.

Upon approving the share option, the option was recognised at its fair value and recognised on the one hand as a staff cost in the income statement and, on the other hand, as a share option reserve in equity. As of 31.12.2014 this reserve totalled EUR 520 thousand and the number of earned shares was 460 000. As of 31.12.2013, this reserve totalled EUR 384 thousand and the number of earned shares was 340 000. See Note 12.

For finding the fair value of the share option upon the issuing of the option (i.e. when it was approved by the General Meeting of Shareholders), the *Black-Scholes-Merton* model was used. The assumptions used in the model were as follows: share price at the time of issuing the option: 1.16 euros, dividend rate: 0.01 euros per share, risk-free rate 2.96%, option term: slightly over 3 years.

Note 12. Equity and dividends

Share capital and share premium

As of 31 December 2014 and 31 December 2013, the share capital of AS Ekspress Grupp was EUR 17 878 105 and it consisted 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.

Treasury shares

From 7 April 2014, AS SEB Pank has purchased back shares on behalf of the company within the framework of the share option programme. As of 31.12.2014, AS Ekspress Grupp had purchased ca 62 thousand treasury shares at the average price of EUR 1.03 for the total of EUR 64 thousand.

Dividends

At the Ordinary General Meeting of Shareholders held on 20 June 2014, it was decided to pay dividends to shareholders in the amount of one euro cent per share in the total amount of EUR 298 thousand. Dividends were paid out on 2 October 2014. There was no accompanying income tax liability because the Company paid out dividends it had received from its joint ventures and subsidiaries, that had already paid corporate income tax on dividends or the profit of which had already been taxed in its domicile. Therefore, there was no additional tax to be paid on distribution of dividends from the Parent Company.

Dividends of one euro cent per share in total amount of EUR 298 thousand were paid out also a year earlier on 1 October 2013.

Reserves

The reserves include statutory reserve capital required by the Commercial Code, a general-purpose equity contribution by a founding shareholder and a share option reserve issued to the management (see Note 11).

(EUR thousand)	EUR	
	31.12.2014	31.12.2013
Statutory reserve capital	281	227
Additional cash contribution from shareholder	639	639
Share option reserve	520	384
Total reserves	**1 440**	**1 250**

Note 13. 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)	12 months 2014	12 months 2013
Sales of goods		
Associates	567	711
Total sale of goods	**567**	**711**
Sale of services		
Members of Supervisory Board and companies related to them	6	11
Joint ventures	1 565	1 466
Total sale of services	**1 571**	**1 477**
Total sales	**2 138**	**2 188**

PURCHASES (EUR thousand)	12 months 2014	12 months 2013
Purchase of services		
Members of Management Board and companies related to them	49	45
Members of Supervisory Board and companies related to them	242	275
Associates	2	4
Joint ventures	926	902
Total purchases of services	**1 219**	**1 226**

RECEIVABLES (EUR thousand)	31.12.2014	31.12.2013
Short-term receivables		
Members of Supervisory Board and companies related to them	5	5
Associates	241	229
Joint ventures	232	1 050
Total short-term receivables	**478**	**1 284**
Long-term receivables		
Members of Supervisory Board and companies related to them	160	160
Total long-term receivables	978	**160**
Total receivables	**1 138**	**1 444**

LIABILITIES (EUR thousand)	31.12.2014	31.12.2013
Current liabilities		
Members of Management Board and companies related to them	4	4
Members of Supervisory Board and companies related to them	11	11
Joint ventures	85	109
Total liabilities	**100**	**124**

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. During the 12 months of 2014, a payment of EUR 60 thousand (2013: EUR 60 thousand) was made and there are no outstanding liabilities as of 31 December 2014 and 31 December 2013.

The management estimates that the transactions with related parties have been carried out at arms' length condition. As of 31.12.2014, the allowance for the receivable from the associate Medipresa UAB was made in the amount of EUR 49 thousand (31.12.2013: EUR 43 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 consolidated group companies

(EUR thousand)	12 months 2014	12 months 2013
Salaries and other benefits (without social tax)	1 019	909
Termination benefits (without social tax)	35	11
Share option	136	384
Total (without social tax)	**1 190**	**1 304**

The members of all management boards of the consolidated 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 12 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 for a valid reason. As of 31 December 2014, the maximum gross amount of potential Key Management termination benefits was EUR 357 thousand (31 December 2013: EUR 390 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 14. Contingent assets and liabilities

Contingent liabilities related to pending court cases

The Group's subsidiaries have several pending court cases, but their potential effect on the Group's financial results is insignificant.

On 19 September 2014, OÜ Grupivara filed a statement of claim to Harju County Court against Ekspress Group regarding decisions of the 20 June 2014 Annual General Meeting of Shareholders of Ekspress Group. OÜ Grupivara has challenged the decisions of the AGM on approving the annual report for the financial year 2013 of Ekspress Group and on proposal of profit distribution as, according to the opinion of OÜ Grupivara, the annual report 2013 of Ekspress Group contains inaccurate data.

The management of Ekspress Group considers the statement of claim groundless. The financial reports of Ekspress Group are audited and independent certified auditors have confirmed to the shareholders of Ekspress Group the accuracy of the reports. First two court instances have rejected the claim and thus the claim has been filed with The Supreme Court (Riigikohus).

OÜ Grupivara is a minor shareholder of Ekspress Group with a shareholding of 100 shares which it acquired in February 2014.

Contingent assets and liabilities arising from guarantees given

The Parent Company has given a guarantee in amount of EUR 1.6 million on 50% bank borrowings received by its joint ventures AS Ajakirjade Kirjastus and AS SL Õhtuleht. The other 50% of the loan is guaranteed by other co-owner of these joint ventures.

Note 15. Events after the balance sheet date

AS Ekspress Grupp has decided to merge AS Eesti Ajalehed and AS Delfi. The CEO of the merged company will be Mari-Liis Rüütsalu, the current CEO of AS Delfi. The formal merging process will be conducted during 2015, essentially the two companies will operate as a joint organization since 14th of January 2015. The reasons for the decision of merging two entities are the current highly integrated operation of the above companies and positive experience from Lithuania where last year a local Delfi organization and a magazine publishing house Ekspress Leidyba were merged.

Changeover to euro in Lithuania
On 1 January 2015, the Republic of Lithuania joined the euro zone and adopted the euro as the national currency, which replaced the Lithuanian litas. As Lithuanian litas was already previously begged to euro at the transition rate LTL 3.4528/EUR 1, no any translation differences occur subsequently.