CONSOLIDATED INTERIM REPORT

FOR THE FIRST QUARTER OF

2016

AS EKSPRESS GRUPP

TABLE OF CONTENTS

GENERAL INFORMATION

Beginning of reporting period	1 January 2016
End of reporting period	31 March 2016
Company name	AS Ekspress Grupp
Registration number	10004677
Address	Parda 6, 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
	Indrek Kasela
	Jaak Ennuste
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 39 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*	29.04.2016
Pirje Raidma	Member of the Management Board	*signed digitally*	29.04.2016
Andre Veskimeister	Member of the Management Board	*signed digitally*	29.04.2016

MANAGEMENT REPORT

The results of the 1st quarter 2016 were in line with the expectations of the Company's management. The Group's consolidated revenue amounted to EUR 14.4 million, exceeding last year's revenue by 2%. Year on year, EBITDA decreased 18% by EUR 0.3 million and amounted to EUR 1.2 million, but on par with the Company's forecast. The net profit was EUR 0.3 million that is 44% less than a year ago, but 3% more than the forecast. The above figures include all our joint ventures (AS SL Õhtuleht, AS Ajakirjade Kirjastus and AS Express Post) consolidated 50% line-by-line. The decrease in EBITDA and net profit year on year was mainly attributable to the decision to deliberately increase the cost basis in the highly competitive media segment and the slow start of the Lithuanian advertising market at the start of the year. In the first quarter of 2015 there were elections in Estonia and Lithuania, therefore our expectations on revenue growth this quarter compared to previous period were smaller.

Revenue of the **media segment** increased 3% as a whole as compared to the year before, while revenue from digital and online channels was up by 8%. EBITDA decreased as compared to last year, totalling EUR 34 thousand. The weaker result of the media segment in the 1st quarter was mainly attributable to the slow start of Delfi Lithuania at the beginning of the year, where the result of first two months was below last year's figure by about EUR 260 thousand. Since March, the business has picked up and in the final month of the quarter Delfi Lithuania exceeded last year's result already by ca EUR 60 thousand. We believe that Delfi Lithuania is able to earn back the 1st quarter's shortfall during the rest of the year. Because of last year's growth in the cost basis, Delfi Latvia's 1st quarter result was lower as compared to a year ago, but exceeded the Company's own forecast. Nonetheless, we expect both companies to grow on a yearly basis. Ekspress Meedia has again achieved a good result both in revenue and profit growth, with online revenue increasing 7% even in comparison with last year's very strong growth of between 20-30%. We can also be proud of the 3% growth of print advertising and 6% growth in subscriptions and single-copy sales.

The priority of the media segment is the same - innovation in developing different products and technical platforms. In all three countries, several new topical portals have been launched, several new multimedia projects have been carried out and e-commerce services have been developed. Of major developments, one should mention the digital edition of Maaleht that had a very successful initial offer. Starting from the new year, our advertising sales departments are offering in addition to online advertising in our own portals also the possibility to buy advertising in other local or international channels. Customers of Levira and Starman in Estonia can watch Delfi TV broadcasts and shows also from their TVs. In Lithuania, the functionality and user-friendliness of classified portal Alio was improved, allowing it to notably increase readership and ranking.

In addition to technical development, we also strongly focus on content production. We do it by producing longer and more analytical articles and exclusive text or image content. Our project "98 nations" won a lot of praise and was mentioned in the Anniversary Day speech of the President of Estonia. Delfi's daily investigative journalism programme Sensor as well as audio broadcasts of Ekspress and Delfi have progressing well. We also surprised our readers and viewers with broadcasts from the competitions of Estonia's new extreme sports superstar Kelly Sildaru in Aspen and Oslo. The high level of our editorial departments is shown also by several prominent awards. Eesti Päevaleht journalist Tuuli Jõesaar won the year's top journalistic prize the Bonnier Award with her articles on parents who cure their ill children with toxic chlorine dioxide. Delfi Latvia's project "#10 memories" won the award of the Latvian Association of Journalists for the best multimedia project. After the previous editor-in-chief of Eesti Ekspress left abroad, the weekly's new editor-in-chief is Erik Moora, a politologist with long experience in media.

Strong content helped Delfi to become Latvia's largest online site also by the new method of the Gemius survey. The gap with the direct competitor, news portal TVNet, increased.

Circulation revenue of Ekspress Meedia has been growing mainly because of subscriptions of print products. Although the book series has ended, Maaleht continues to surprise with its high subscription and single-copy sales. In March we launched our new book series "Timeless love stories" which this time is published together with LP, the weekend issue of Eesti Päevaleht. Although there has been a small decrease in the number of digital subscriptions because of the price increase, the successful launch of the digital version of Maaleht adds confidence that we are on the right track.

Similarly to newspapers, the print advertising market of magazines is also presenting new challenges, especially in satisfying the need for smarter solutions. Despite everything, Ajakirjade Kirjastus increased the advertising revenue 4%. The increase in the cover price is offsetting the fall in circulation and enables also to raise circulation revenue. At the start of April, Ajakirjade Kirjastus signed a contract with OÜ Presshouse under which it acquired Naisteleht, Estonia's largest weekly magazine targeted at women, as well as publishing rights for magazines Nipiraamat and Müstiline Ajalugu. As a result of the transaction, we hope to achieve significant synergy and increase the Company's profit. As compared to the same period last year, the result of Ajakirjade Kirjastus was weaker, but in line with expectations.

Also SL Õhtuleht increased its revenue, mainly thanks to the growth in online advertising and circulation revenue. We launched new topical portals Lifestyle (Elustiil) and Special (Eriline), started video series of a fitness school and a money school, added two sports podcasts to the travel podcast, expanded the list of cooperation partners of the advertising network and upgraded the mobile version of Õhtuleht. As a result, also the time that the users stay on the mobile site has increased notably. In the 1st quarter, we set records in both monthly and weekly online readership. Product innovation and team building have increased costs which is why EBITDA fell in the 1st quarter in spite of revenue growth.

The printing segment has managed to stop last year's decrease in revenue and profit, and its revenue and profit from the 1st quarter were comparable to the same period a year earlier. The segment continues to suffer under the negative impact of economic sanctions imposed on Russia which has reduced printing prices in Scandinavia. However, payment problems of several Scandinavian competitors and a related decrease in their production capacity are creating better recovery possibilities for others. Although Printall's production volume is growing, the price pressure remains strong. The revenue from last year can be successfully maintained, but not yet increased. On the other hand, Printall has won several long-term contracts to offer printing service on customer's paper that will have a positive impact on the growth of printing revenue and profit, but less on the total revenue.

The financial position of the Group is strong, the ratio of total debt and EBITDA is below 2.5 and the debt service coverage ratio is about 2.0. A strong financial position enables us to continue analyse new opportunities related to new media with the objective of finding new areas of activity and enterprises in the Group portfolio.

Our position for the **next quarter** and the **full year** is modest. We still hope for stable growth of the online and print media and faster recovery of the printing services segment. We expect better 2nd quarter compared to the start of the year with the revenue growth of our main business around 10% and EBITDA growth 1-2%.

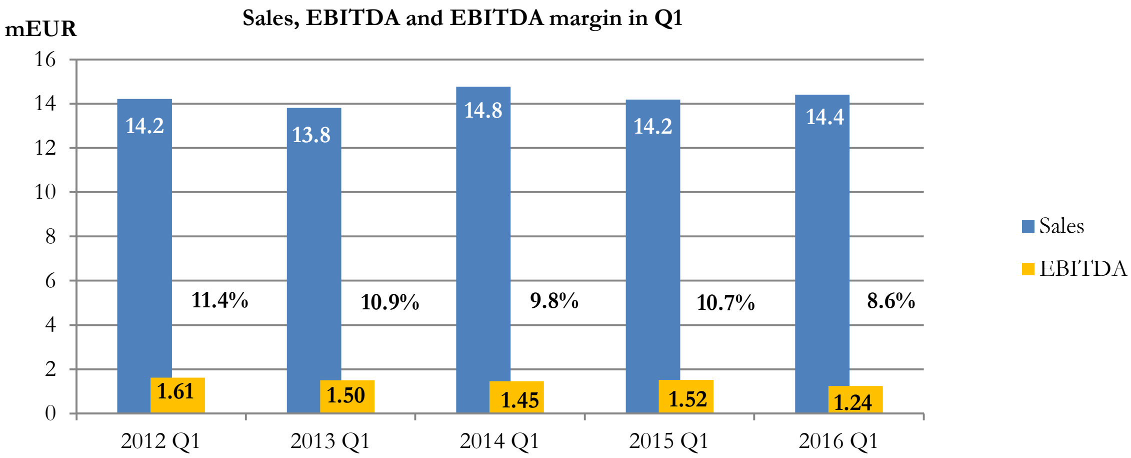
Our mission remains to offer new and interesting experiences both on paper and in digital media, without ever compromising on news quality, choice of topics and journalistic objectivity.

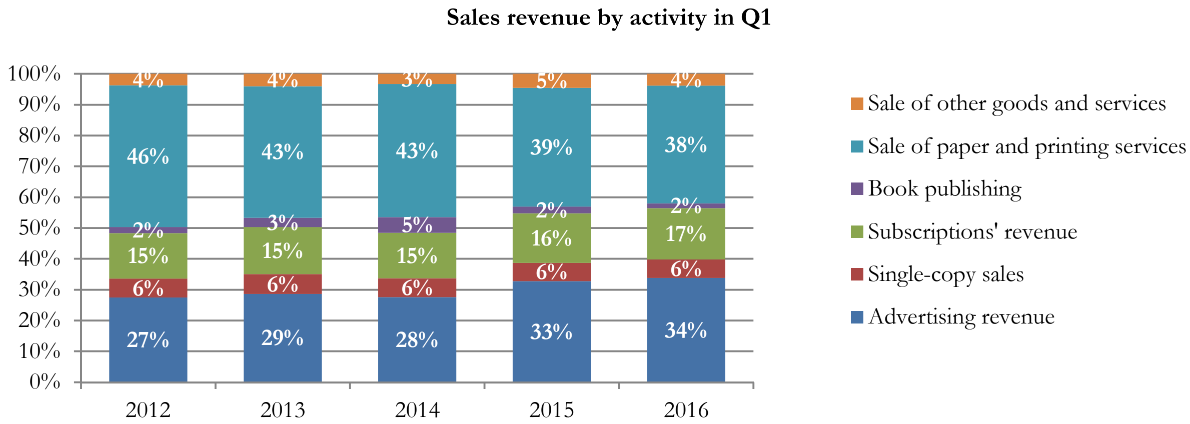
The Group's goal is to be a truly modern media group with a strong foothold in all markets where actively present, with a leading position in online media.

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

In consolidated financial reports 50% joint ventures are recognised under the equity method, in compliance with **international financial reporting standards (IFRS).** In its monthly reports, the management monitors the Group's performance on a basis of proportional consolidation of joint ventures and the syndicated loan contract also determines the calculation of some 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% 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)	Q1 2016	Q1 2015	Change %	Q1 2014	Q1 2013	Q1 2012
For the period						
Sales	14 402	14 180	2%	14 766	13 809	14 219
EBITDA	**1 242**	**1 517**	**-18%**	**1 454**	**1 503**	**1 615**
EBITDA margin (%)	***8.6%***	***10.7%***		***9.8%***	***10.9%***	***11.4%***
Operating profit	477	762	-37%	691	840	756
Operating margin (%)	*3.3%*	*5.4%*		*4.7%*	*6.1%*	*5.3%*
Interest expenses	(135)	(174)	23%	(176)	(197)	(488)
Net profit /(loss) for the period	**312**	**556**	**-44%**	**503**	**638**	**179**
Net margin (%)	***2.2%***	***3.9%***		***3.4%***	***4.6%***	***1.3%***
Return on assets ROA (%)	*0.4%*	*0.7%*		*0.6%*	*0.8%*	*0.2%*
Return on equity ROE (%)	*0.6%*	*1.2%*		*1.1%*	*1.5%*	*0.5%*
Earnings per share (EPS)	**0.01**	**0.02**		**0.02**	**0.02**	**0.01**



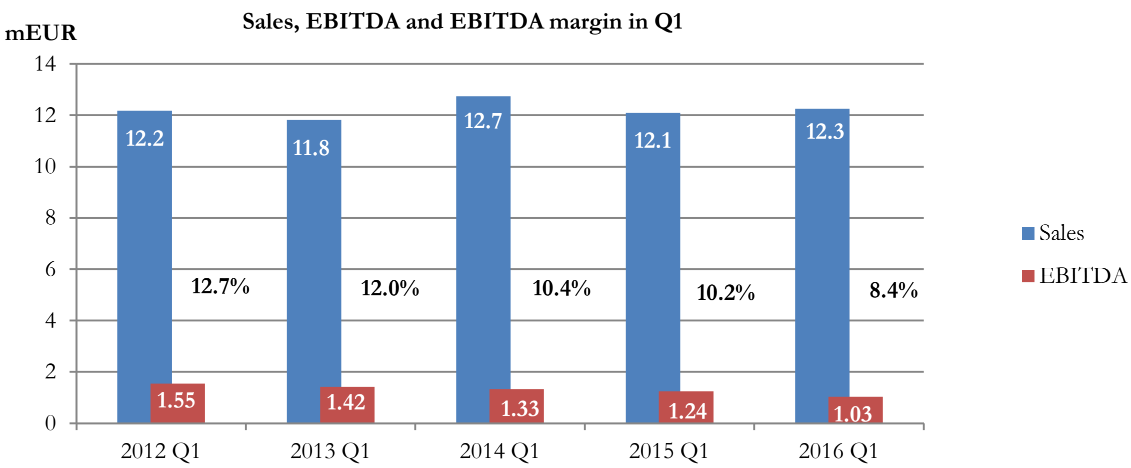


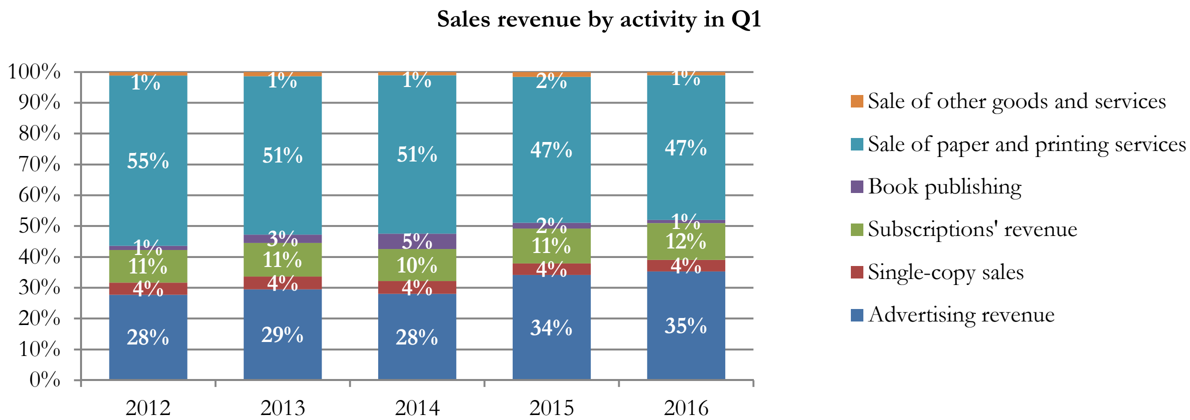
Balance sheet– joint ventures consolidated 50% (EUR thousand)	**31.03.2016**	**31.12.2015**	**Change %**
As of the end of the period			
Current assets	15 502	15 553	0%
Non-current assets	61 045	61 588	-1%
Total assets	**76 547**	**77 141**	**-1%**
incl. cash and bank	*4 714*	*4 666*	*1%*
incl. goodwill	*38 232*	*38 232*	*0%*
Current liabilities	12 176	12 539	-3%
Non-current liabilities	15 380	15 928	-3%
Total liabilities	**27 556**	**28 467**	**-3%**
incl. borrowings	*18 160*	*18 787*	*-3%*
Equity	**48 991**	**48 674**	**1%**

Financial ratios (%) – joint ventures consolidated 50%	**31.03.2016**	**31.12.2015**
Equity ratio (%)	64%	63%
Debt to equity ratio (%)	37%	39%
Debt to capital ratio (%)	22%	22%
Total debt /EBITDA ratio	2.39	2.39
Debt service coverage ratio	1.91	1.79
Liquidity ratio	1.27	1.24

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

Performance indicators – joint ventures under the equity method (EUR thousand)	Q1 2016	Q1 2015	Change %	Q1 2014	Q1 2013	Q1 2012
For the period						
Sales (only subsidiaries)	12 255	12 093	1%	12 734	11 812	12 177
EBITDA (only subsidiaries)	**1 025**	**1 238**	**-17%**	**1 330**	**1 417**	**1 548**
EBITDA margin (%)	***8.4%***	***10.2%***		***10.4%***	***12.0%***	***12.7%***
Operating profit (only subsidiaries)	324	543	-40%	593	777	720
Operating margin (%)	*2.6%*	*4.5%*		*4.7%*	*6.6%*	*5.9%*
Interest expenses (only subsidiaries)	(120)	(155)	22%	(176)	(197)	(489)
Profit of joint ventures by equity method	132	194	-32%	98	63	40
Net profit for the period	**312**	**556**	**-44%**	**503**	**638**	**179**
Net margin (%)	***2.5%***	***4.6%***		***3.9%***	***5.4%***	***1.5%***
Return on assets ROA (%)	*0.4%*	*0.7%*		*0.7%*	*0.8%*	*0.2%*
Return on equity ROE (%)	*0.6%*	*1.2%*		*1.2%*	*1.5%*	*0.5%*
Earnings per share (EPS)	**0.01**	**0.02**		**0.02**	**0.02**	**0.01**





Balance sheet– joint ventures under equity method (EUR thousand)	31.03.2016	31.12.2015	Change %
As of the end of the period			
Current assets	12 591	12 386	2%
Non-current assets	60 420	60 794	-1%
Total assets	**73 011**	**73 180**	**0%**
incl. cash and bank	*3 075*	*2 927*	*5%*
incl. goodwill	*36 953*	*36 953*	*0%*
Current liabilities	9 093	9 033	1%
Non-current liabilities	14 927	15 473	-4%
Total liabilities	**24 020**	**24 506**	**-2%**
incl. borrowings	*17 135*	*17 687*	*-3%*
Equity	48 991	48 674	1%

Financial ratios (%) – joint ventures by equity method	31.03.2016	31.12.2015
Equity ratio (%)	67%	67%
Debt to equity ratio (%)	35%	36%
Debt to capital ratio (%)	22%	23%
Total debt /EBITDA ratio	2.65	2.65
Debt service coverage ratio	1.81	1.67
Liquidity ratio	1.38	1.37

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 in home and export markets. 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 an increase in subscriptions and retail sale which usually continues until next summer holiday period.

Formulas used to calculate the financial ratios	
EBITDA	Earnings before interest, tax, depreciation and amortization. EBITDA does not include any impairment losses recognized during the period or result from restructuring.
EBITDA margin (%)	EBITDA/sales x 100
Operating margin* (%)	Operating 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

CORPORATE STRUCTURE

EKSPRESS GRUPP

Ekspress Meedia 100%	The main activity of AS Ekspress Meedia is publishing of the biggest Estonian weekly newspapers - Eesti Ekspress and Maaleht, as well as the publishing of the daily newspaper Eesti Päevaleht. Ekspress Meedia also publishes Delfi - the largest internet portal whose websites are according to Gemius Audience visited by more than 600,000 people a month.
Delfi (Läti) 100%	In Latvia Delfi is the largest news portal whose websites are according to Gemius Audience visited by more than 800,000 people a month.
Delfi (Leedu) 100%	In Lithuania Delfi is the largest internet portal whose websites are according to Gemius Audience visited by more than 1,200,000 people a month. In addition, Delfi publishes several magazines that are the leading titles in their segments in Lithuania.
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 more than 20 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 is publishing fiction, history books, children's books, reference books, handbooks and various series.
Zave Media 100%	Zave is the portal of sales 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.
Express Post 50%	Express Post specialises in early-morning home delivery of periodicals, advertising materials and letters in Estonia. The company is owned in equal parts by Ekspress Grupp and Eesti Meedia.
Medipresa (Leedu) 40%	Delfi has 40% shares in Lithuanian magazines and newspapers wholesales 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.
Printall 100%	The most contemporary printing plant in the Baltic countries. Large part of the Estonian newspapers, magazines and advertising materials is printed in Printall. Most of the production is exported.

SEGMENT OVERVIEW

The Group's activities are divided into two large segments - **media segment** and **printing services segment**. Last year, there was also an **entertainment segment**.

The segments' EBITDA does not include intragroup management fees, 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 Q1 2012-2016

(EUR thousand)	Sales			Sales		
	Q1 2016	Q1 2015	Change %	Q1 2014	Q1 2013	Q1 2012
media segment (by equity method)	6 771	6 581	3%	6 414	5 923	5 633
incl. revenue from all digital and online channels	*3 558*	*3 350*	*6%*	*2 787*	*2 470*	*2 232*
printing services segment	6 341	6 318	0%	7 062	6 617	7 376
entertainment segment	-	61	-	-	-	-
corporate functions	539	471	14%	421	355	139
intersegment eliminations	(1 395)	(1 338)	-4%	(1 163)	(1 084)	(971)
TOTAL GROUP by equity method	**12 255**	**12 093**	**1%**	**12 734**	**11 812**	**12 177**
media segment by proportional consolidation	9 197	8 963	3%	8 637	8 106	7 869
incl. revenue from all digital and online channels	*3 839*	*3 566*	*8%*	*2 987*	*2 599*	*2 370*
printing services segment	6 341	6 318	0%	7 062	6 617	7 376
entertainment segment	-	61	-	-	-	-
corporate functions	539	471	14%	421	355	139
intersegment eliminations	(1 675)	(1 633)		(1 354)	(1 269)	(1 165)
TOTAL GROUP by proportional consolidation	**14 402**	**14 180**	**2%**	**14 766**	**13 809**	**14 219**

(EUR thousand)	EBITDA			EBITDA		
	Q1 2016	Q1 2015	Change %	Q1 2014	Q1 2013	Q1 2012
media segment by equity method	34	279	-88%	338	207	192
media segment by proportional consolidation	*251*	*558*	*-55%*	*466*	*294*	*259*
printing services segment	1 182	1 161	2%	1 459	1 414	1 529
entertainment segment	(2)	24	-106%	-	-	-
corporate functions	(189)	(226)	16%	(467)	(206)	(174)
intersegment eliminations	(0)	(0)	100%	0	1	0
TOTAL GROUP by equity method	**1 025**	**1 238**	**-17%**	**1 330**	**1 417**	**1 548**
TOTAL GROUP by proportional consolidation	**1 242**	**1 517**	**-18%**	**1 454**	**1 503**	**1 615**

EBITDA margin	Q1 2016	Q1 2015	Q1 2014	Q1 2013	Q1 2012
media segment by equity method	1%	4%	5%	3%	3%
media segment by proportional consolidation	*3%*	*6%*	*5%*	*4%*	*3%*
printing services segment	19%	18%	21%	21%	21%
TOTAL GROUP by equity method	**8%**	**10%**	**10%**	**12%**	**13%**
TOTAL GROUP by proportional consolidation	**9%**	**11%**	**10%**	**11%**	**11%**

MEDIA SEGMENT

The media segment includes Delfi operations in wholly-owned subsidiaries in Estonia, Latvia and Lithuania, publishing of Estonian newspapers Maaleht, Eesti Ekspress and Eesti Päevaleht, book publishing in Estonia, magazine publishing in Lithuania, activities of the retail offer portal Zave and holding company Delfi Holding. This segment also includes 50% joint ventures AS SL Õhtuleht (publisher of Õhtuleht and Linnaleht), magazine publisher AS Ajakirjade Kirjastus and home delivery company AS Express Post.

The entities' EBITDA is presented before the trademark royalty fees that were paid to the direct parent company Delfi Holding until April 2015. In May 2015, Delfi group was restructured in order to reflect the actual management structure changed over the years and as a consequence of which Delfi's local companies are now directly owned by AS Ekspress Grupp.

In July 2015 AS Delfi and newspaper publisher AS Eesti Ajalehed were merged in Estonia. New company continues to operate under name AS Ekspress Meedia. In 2014, Delfi UAB and magazine publisher Ekspress Leidyba UAB were merged in Lithuania.

News portals owned by the Group

Owner	Portal	Owner	Portal
Ekspress Meedia	www.delfi.ee	Ekspress Meedia	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		www.vecherka.ee

(EUR thousand)	Sales			EBITDA		
	Q1 2016	Q1 2015	Change %	Q1 2016	Q1 2015	Change %
Ekspress Meedia AS (Delfi Est + Eesti Ajalehed)	4 212	4 110	2%	199	116	72%
incl. Delfi Estonia online revenue	*1 436*	*1 345*	*7%*			
Delfi Latvia	734	676	9%	(4)	43	-109%
Delfi Lithuania (incl. former Ekspress Leidyba)	1 720	1 739	-1%	(103)	116	-189%
incl. Delfi Lithuania online revenue	*1 242*	*1 208*	*3%*			
OÜ Hea Lugu	104	117	-11%	(8)	5	-260%
OÜ Zave Media	1	0	-	(50)	0	-
Delfi Holding	0	0	-	0	(1)	100%
Intersegment eliminations	0	(61)	100%	(0)	(0)	-
TOTAL subsidiaries	**6 771**	**6 581**	**3%**	**34**	**279**	**-88%**
AS SL Õhtuleht*	1 027	1 014	1%	97	118	-18%
AS Ajakirjade Kirjastus*	1 041	1 018	2%	47	73	-36%
AS Express Post*	641	638	0%	73	88	-17%
Intersegment eliminations	(284)	(289)	2%	0	(0)	222%
TOTAL joint ventures	**2 426**	**2 381**	**2%**	**217**	**279**	**-22%**
TOTAL segment by proportional consolidation	**9 197**	**8 963**	**3%**	**251**	**558**	**-55%**

*Proportional share of joint ventures

MEDIA SEGMENT (continued)

DELFI and related products

As a market leader Delfi continues to invest into new technologies and IT solutions to improve user experience of its readers and advertisers. Last year, new Delfi mobile applications for both IOS and Android devices were launched, enabling to use more creative solutions in the mobile environment. Programmatic advertising sales will be further developed in all three countries. In addition to online advertising, from this year our advertising sales departments will provide an opportunity to buy advertising space in other local or international channels. Delfi TV platforms will continue to be developed. The clients of Levira and Starman in Estonia are now able to watch Delfi TV broadcasts and programmes on their television screens. The launch of digital newspaper of Maaleht was one of the main developments in Estonia. Within the first week there were extraordinary six thousand downloads.

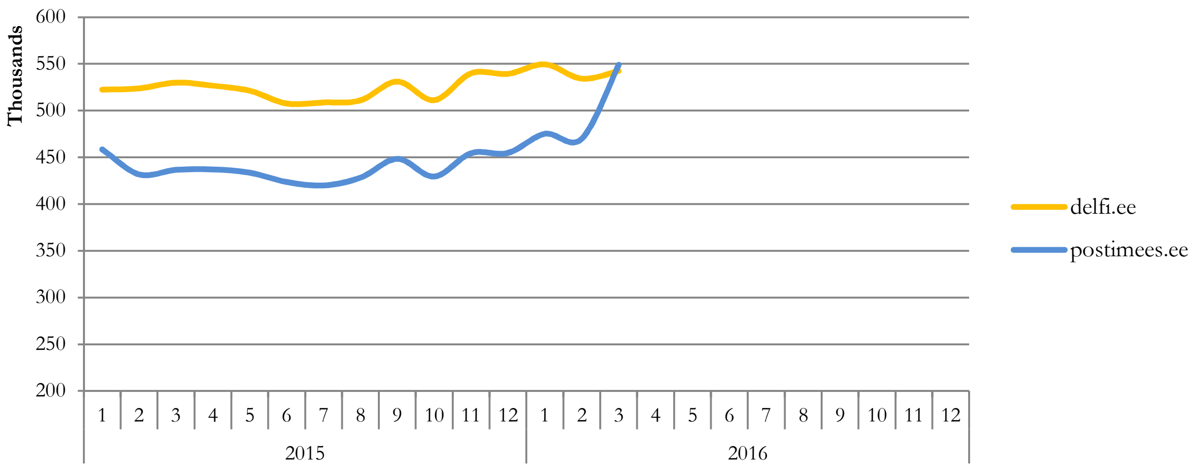
We continue to expand the range of vertical products. In the 1st quarter Delfi Estonia launched www.filmiveeb.ee that is dedicated to the film art. Delfi Latvia launched the esoterics portal www.orakuls.lv. Lithuania launched www.busiumama.lt, a portal targeted at expecting mothers, and in cooperation with the Lithuanian basketball federation, Delfi FIT, a sub-section that supports healthy lifestyle.

Delfi Lithuania continues to develop further the classified portal www.alio.lt which has become 12th among all portals in Lithuania.

In all countries there is a focus on writing more long-read analytical articles in order to increase Delfi's position in all qualitative indexes like "trust", "usability", "originality" and etc. In Estonia this has been provided in co-operation with editorial teams of our daily and weekly newspapers Eesti Päevaleht, Eesti Ekspress and Maaleht.

We continue to focus on socially responsible behaviour, supporting different charitable projects, culture, sports, social and business events. In the 1st quarter in Latvia we supported several concerts and conferences and hold our own presentations. Delfi Lithuania organised pan-Baltic tennis tournament with more than 250 participants.

Estonian online readership 2015-2016



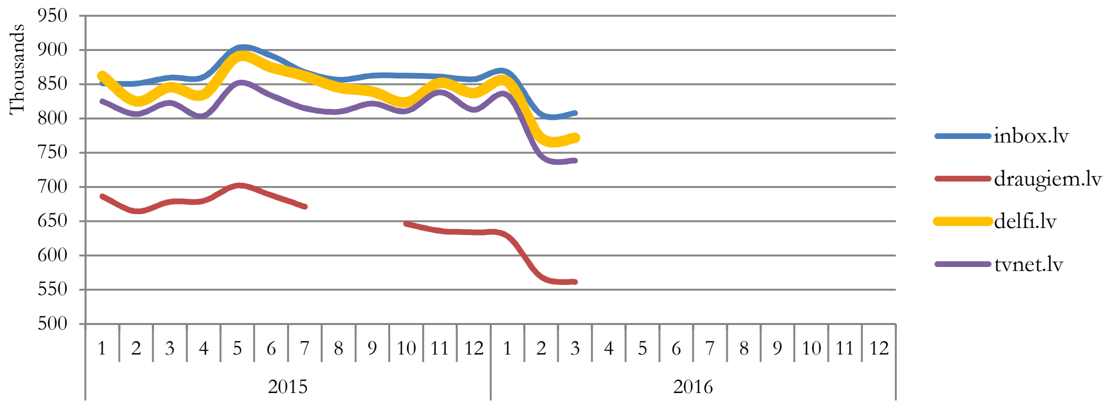
GemiusAudience monthly audience survey

In the 1st quarter 2016, Postimees added Eesti Meedia owned classifieds portals kv.ee and osta.ee under the postimees.ee domain. As a result the usership number for postimees.ee grew by 17%. The growth in readership is increasing mainly among mobile users which is why larger online portals have been investing in this particular segment, including both marketing and product development.

During 2016, the methodology of the online readership survey in Estonia, Latvia and Lithuania will change, as a result of which the readership of mobile devices and tablet PCs will be added to the above readership of computer users.

Delfi Latvia

Latvian online readership 2015-2016

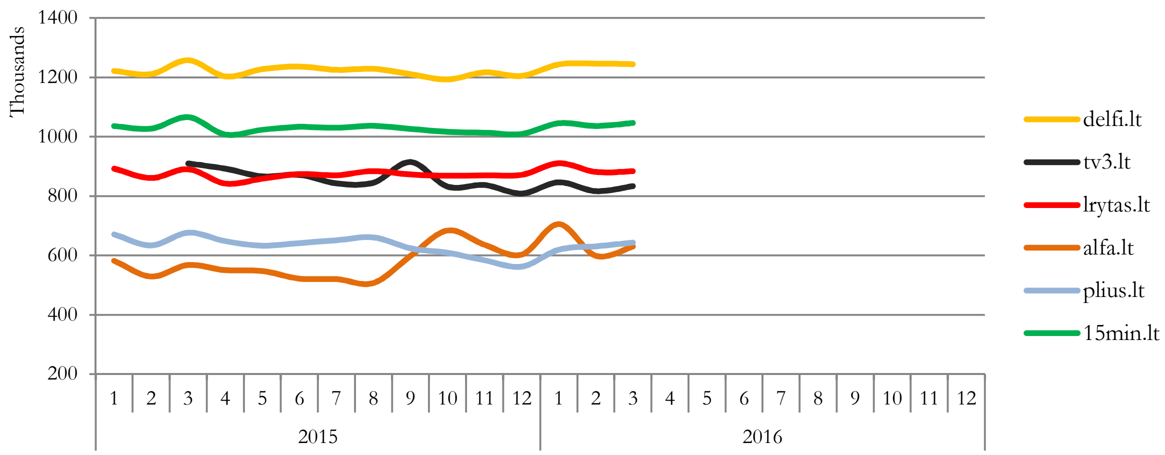


GemiusAudience monthly audience survey

Starting from the beginning of 2016, the method of the Gemius online survey has changed. Because of that, the online readership figure decreased. This figure shows only the online readership of PC users. Inbox.lv remains Latvia's largest portal among PC users. Delfi.lv has increased its lead over tvnet.lv. The local social network draugiem.lv continues to lose users to Facebook. As in other Baltic countries, the main competition in Latvia is for mobile users.

Delfi Lithuania

Lithuanian online readership 2015-2016

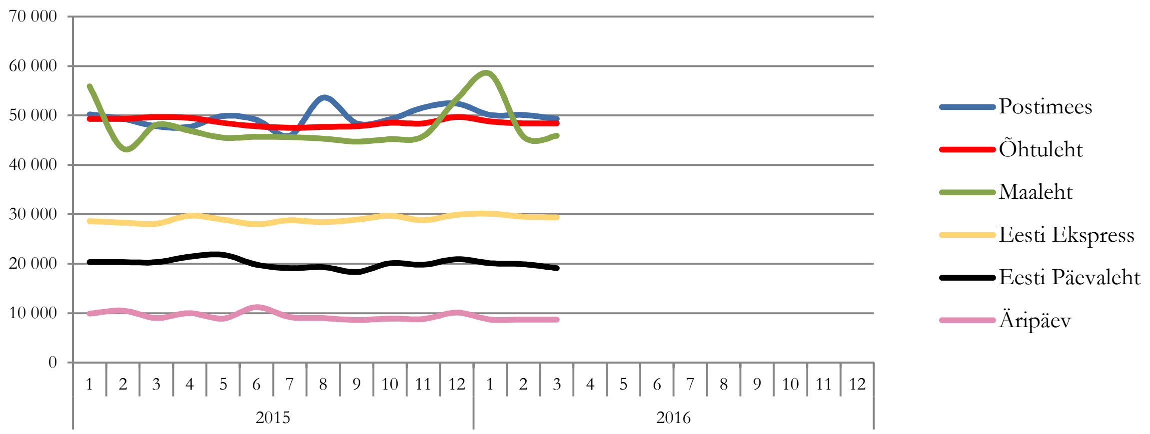


GemiusAudience monthly audience survey

Delfi.lt remains Lithuania's largest online portal. In the 1[st] quarter 2016, there were no major changes in the preferences of online users in Lithuania. As in other markets, development and marketing activities in Lithuania were focused on increasing the number of mobile users. In this segment Delfi has notably increased its readership.

Print media in Estonia

Estonian newspaper circulation 2015-2016

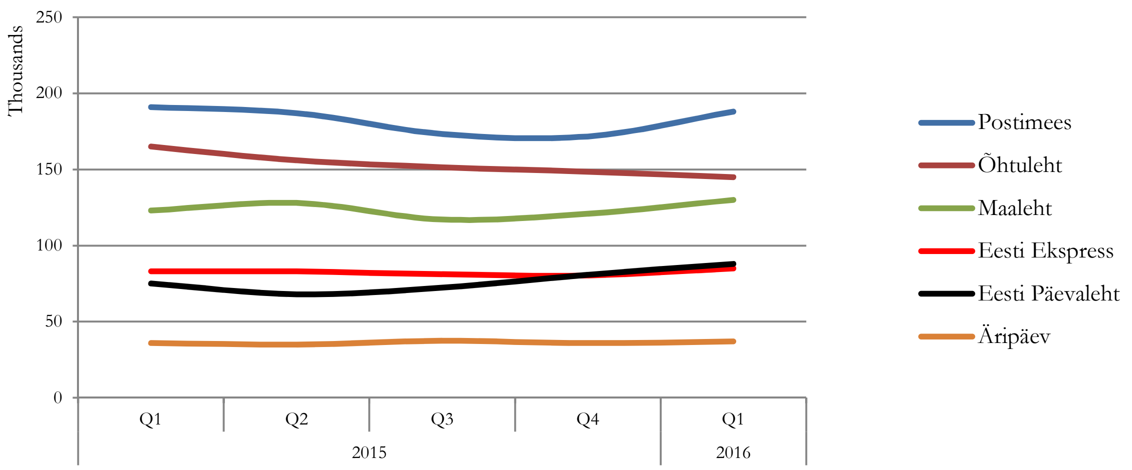


Estonian Newspaper Association data

Circulations of newspapers in Estonia have been falling moderately in the long run. In this respect, 2015 was a pleasant exception since newspaper circulations stabilized. Circulations of some periodicals have also been growing slightly for the first time in several years. In 2016 we expect to see similar trends – the year's first quarter has been encouraging and it forecasts a stable year in the newspaper segment.

One also needs to add to the above readership the number of subscribers of digital newspapers. At the end of the 1st quarter 2016, our Group's publication Eesti Päevaleht had ca 12 thousand subscribers, Eesti Ekspress ca 10 thousand and Maaleht ca 7 thousand.

Estonian newspaper readership 2015-2016



Turu-uuringute AS

Similarly with the circulation of newspapers, the readership of publications also remained relatively stable at the beginning of 2016. As compared to the 1st quarter 2015, readership of Maaleht, Eesti Ekspress and Eesti Päevaleht increased. As this survey does not cover the readership of digital newspapers, it does not represent the complete readership. The number of digital subscriptions of periodicals of the Ekspress Group amounts ca 30 thousand. Increasing the readership of digital newspapers remains the main task for the Group's publications.

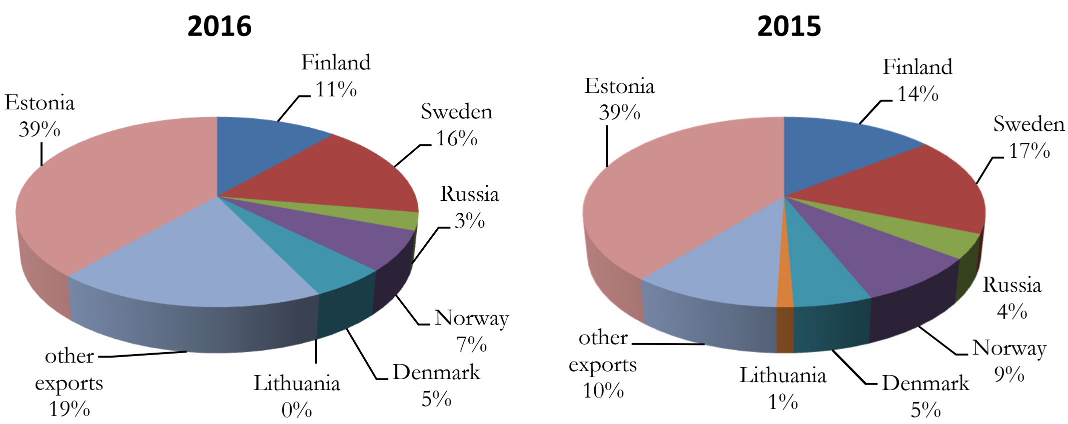
PRINTING SERVICES SEGMENT

All printing services of the Group are provided by AS Printall which is one of the largest printing companies in Estonia. We are able to print high-quality magazines, newspapers, advertising materials, product and service catalogues, paperback books and other publications in our printing plant. The new sheet-fed machine installed in 2015 has enabled us to further expand the range of printed products.

(EUR thousand)	Sales			EBITDA		
	Q1 2016	Q1 2015	Change %	Q1 2016	Q1 2015	Change %
AS Printall	6 341	6 318	0%	1 182	1 161	2%

The printing services segment continues to be negatively impacted by to the economic sanctions imposed on Russia. Although the production volume of Printall increased, the price pressure is still strong due to the more intense competition in Scandinavia and continuously appreciating paper prices. Despite that, the sales of printing services increased by 3% in the 1st quarter.

Geographical break-down of printing services



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 31.03.2016, 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. The share capital and the total number of shares have remained unchanged since 31.12.2011.

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.

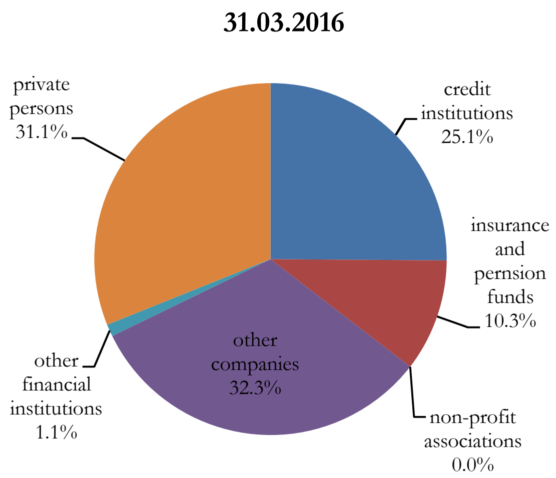
Structure of shareholders as of 31.03.2016 according to the Estonian Central Register of Securities

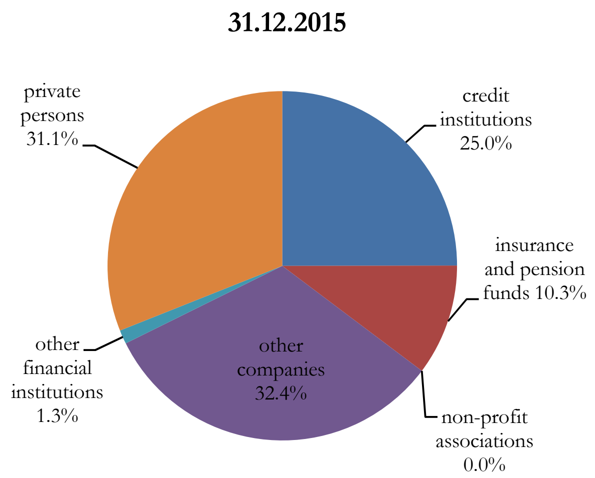
Name	Number of shares	%
Hans Luik	16 597 532	55.70%
Hans Luik	*7 963 307*	*26.73%*
Hans Luik, OÜ HHL Rühm	*8 627 325*	*28.95%*
Hans Luik, OÜ Minigert	*6 900*	*0.02%*
ING Luxembourg S.A.	4 002 052	13.43%
Skandinaviska Enskilda Banken Ab Clients	1 903 404	6.39%
LHV Bank and funds managed by LHV Varahaldus	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	4 903 137	16.46%
Treasury shares	171 911	0.58%
Total	**29 796 841**	**100.0%**

East Capital Asset Management AB has an ownership interest through the nominee account of SEB S.A. CLIENT ASSETS UCITS. KJK Fund SICAV-SIF has an ownership internest through the account of ING Luxembourg S.A.

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

Category	31.03.2016		31.12.2015	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
Private persons	2 839	9 261 005	2 862	9 253 538
Other companies	243	9 634 131	247	9 652 351
Other financial institutions	49	334 973	51	378 925
Credit institutions	14	7 488 460	13	7 448 318
Insurance and retirement funds	11	3 077 853	11	3 063 290
Non-profit organisations	2	419	2	419
TOTAL	**3 158**	**29 796 841**	**3 186**	**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

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. The company expects to continue with regular dividend payments to its investors.

Date of the General Meeting	24.05.2013	20.06.2014	27.05.2015
Period for which dividends are paid	2012	2013	2014
Dividend payment per share (EUR)	1 cent	1 cent	4 cents
Total payment of dividends (EUR thousand)	298	298	1 187
Date of fixing the list of dividend recipients	07.06.2013	09.07.2014	10.06.2015
Date of dividend payment	01.10.2013	02.10.2014	02.10.2015

The table below shows the stock trading history 2012-2016

Price (EUR)	Q1 2016	Q1 2015	Q1 2014	Q1 2013	Q1 2012
Opening price	1.35	1.15	1.12	1.06	1.03
Closing price	1.31	1.28	1.02	1.19	1.06
High	1.32	1.30	1.13	1.22	1.18
Low	1.18	1.07	0.99	1.03	1.00
Average	1.26	1.21	1.03	1.09	1.11
Traded shares, pieces	142 723	227 383	479 302	369 352	216 975
Sales, millions	0.18	0.27	0.49	0.40	0.24
Capitalisation at balance sheet date, millions	39.03	38.1	30.4	35.5	31.6

The price of the share of Ekspress Group (EEG1T) in euros and the trading statistics on OMX Tallinn Stock Exchange from 1 January 2012 until 31 March 2016.

The share price comparison (%) with OMX Tallinn Stock Exchange index from 1 January 2012 until 31 March 2016.

SUPERVISORY AND MANAGEMENT BOARDS OF AS EKSPRESS GRUPP

The Supervisory Board of AS Ekspress Grupp has six members.

Viktor Mahhov (appointed until 20.05.2019)
- Chairman of the Supervisory Board since 2006
- Finance Director of AS Scandagra Estonia
- 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
- Chairman of the Board of (Directors) of Avaus Marketing Innovations OY
- Chairman of the Board of (Directors) of Rostek OY
- Member of the Board of (Directors) of Futurice OY
- Chairman of the Management Board of HRC Invest OY
- Completed graduate studies in economics

Kari Sakari Salonen (appointed until 20.05.2019)
- Member of the Supervisory Board since 2012
- Member of the Board of (Directors) of KJK Management SA
- Chairman of the Board of (Directors) of KJK Capital Oy
- Chairman of the Board of (Directors) of KJK Invest Oy
- Member of the Management Board of KJK Fund Sicav-SIF
- Member of the Board of (Directors) KJK Fund II Sicav-SIF
- Member of the Supervisory Board of UAB "D Investuciju Valdymas"
- Graduated from Espoo School of Economics in 1983

Indrek Kasela (appointed until 20.05.2019) - independent supervisory board member
- Member of the Supervisory Board since 2014
- Partner of the private equity fund Amber Trust
- Chairman of the Management Board of AS PRFoods
- Member of the Supervisory Board of AS Toode, ELKE Grupi AS, EPhaG AS and Salva Kindlustuse AS
- 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 until 20.05.2019) - independent supervisory board member
- Member of the Supervisory Board since 2014
- Member of the Supervisory Board and partner of e-marketing agency ADM Interactive
- Member of the Supervisory Board 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.

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.

Gunnar Kobin (term of contract until 31.12.2016)

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

Andre Veskimeister (term of contract until 16.12.2017)

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

Pirje Raidma (term of contract until 16.12.2017)

- 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)	31.03.2016	31.12.2015
ASSETS		
Current assets		
Cash and cash equivalents	3 061	2 927
Term deposit	14	0
Trade and other receivables	6 709	6 741
Corporate income tax prepayment	35	0
Inventories	2 772	2 718
Total current assets	**12 591**	**12 386**
Non-current assets		
Trade and other receivables	1 153	1 149
Deferred tax asset	42	42
Investments in joint ventures	1 139	1 007
Investments in associates	205	215
Property, plant and equipment (Note 4)	13 427	13 791
Intangible assets (Note 4)	44 454	44 590
Total non-current assets	**60 420**	**60 794**
TOTAL ASSETS	**73 011**	**73 180**
LIABILITIES		
Current liabilities		
Borrowings (Note 6)	2 234	2 240
Trade and other payables	6 737	6 679
Corporate income tax payable	122	114
Total current liabilities	**9 093**	**9 033**
Non-current liabilities		
Long-term borrowings (Note 6)	14 901	15 447
Deferred tax liability	26	26
Total non-current liabilities	**14 927**	**15 473**
TOTAL LIABILITIES	**24 020**	**24 506**
EQUITY		
Share capital (Note 10)	17 878	17 878
Share premium	14 277	14 277
Treasury shares (Note 10)	(205)	(176)
Reserves (Note 10)	1 821	1 787
Retained earnings	15 220	14 908
TOTAL EQUITY	**48 991**	**48 674**
TOTAL LIABILITIES AND EQUITY	**73 011**	**73 180**

The Notes presented on pages 28-39 form an integral part of the consolidated interim report.

Consolidated statement of comprehensive income (unaudited)

(EUR thousand)	Q1 2016	Q1 2015
Sales revenue	12 255	12 093
Cost of sales	(10 199)	(9 795)
Gross profit	**2 056**	**2 298**
Other income	113	107
Marketing expenses	(517)	(553)
Administrative expenses	(1 309)	(1 288)
Other expenses	(19)	(21)
Operating profit	**324**	**543**
Interest income	10	11
Interest expense	(120)	(155)
Other finance costs	(16)	(16)
Net finance cost	**(126)**	**(160)**
Profit (loss) on shares of joint ventures	132	194
Profit (loss) from shares of associates	(18)	(15)
Profit before income tax	**312**	**562**
Income tax expense	0	(6)
Net profit for the reporting period	**312**	**556**
Net profit for the reporting period attributable to:		
Equity holders of the parent company	312	556
Other comprehensive income (expense) that may be subsequently reclassified to profit or loss		
Currency translation differences	0	0
Total other comprehensive income (expense)	**0**	**0**
Comprehensive income (expense) for the reporting period	**312**	**556**
Attributable to equity holders of the parent company	312	556
Basic and diluted earnings per share (Note 8)	0.01	0.02

The Notes presented on pages 28-39 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
Balance on 31.12.2014	**17 878**	**14 277**	**(64)**	**1 440**	**13 644**	**47 175**
Purchase of treasury shares	0	0	(31)	0	0	(31)
Share option	0	0	0	30	0	30
Total transactions with owners	*0*	*0*	*(31)*	*30*	*0*	*(1)*
Net profit for the reporting period	0	0	0	0	556	556
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*556*	*556*
Balance on 31.03.2015	**17 878**	**14 277**	**(95)**	**1 470**	**14 200**	**47 730**
Balance on 31.12.2015	**17 878**	**14 277**	**(176)**	**1 787**	**14 908**	**48 674**
Purchase of treasury shares	0	0	(29)	0	0	(29)
Share option	0	0	0	34	0	34
Total transactions with owners	*0*	*0*	*(29)*	*34*	*0*	*5*
Net profit for the reporting period	0	0	0	0	312	312
Total comprehensive income for the reporting period	*0*	*0*	*0*	*0*	*312*	*312*
Balance on 31.03.2016	**17 787**	**14 277**	**(205)**	**1 821**	**15 220**	**48 991**

The Notes presented on pages 28-39 form an integral part of the consolidated interim report..

Consolidated cash flow statement (unaudited)

(EUR thousand)	Q1 2016	Q1 2015
Cash flows from operating activities		
Operating profit for the reporting year	324	543
Adjustments for:		
Depreciation, amortisation and impairment (Note 4)	700	695
(Gain)/loss on sale and write-down of property, plant and equipment	(5)	0
Change in value of share option (Note 9)	34	30
Cash flows from operating activities:		
Trade and other receivables	20	(820)
Inventories	(55)	22
Trade and other payables	45	661
Cash generated from operations	**1 062**	**1 131**
Income tax paid	(28)	(39)
Interest paid	(120)	(155)
Net cash generated from operating activities	**914**	**937**
Cash flows from investing activities		
Term deposit (placement)/release	0	1 600
Interest received	10	11
Purchase of property, plant and equipment (Note 4)	(205)	(220)
Proceeds from sale of property, plant and equipment	9	1
Loans granted	0	0
Loan repayments received	0	1
Net cash used in investing activities	**(186)**	**1 393**
Cash flows from financing activities		
Finance lease repayments	(21)	(20)
Change in use of overdraft	0	(1 117)
Loan received (Note 6)	11	0
Repayments of bank loans (Note 6)	(542)	(2 533)
Purchase of treasury shares (Note 10)	(29)	(31)
Net cash used in financing activities	**(581)**	**(3 702)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**148**	**(1 372)**
Cash and cash equivalents at the beginning of the year	2 927	3 656
Cash and cash equivalents at the end of the year	3 075	2 284

The Notes presented on pages 28-39 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: Parda 6, 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 29 April 2016.

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 31.03.2016	Ownership interest 31.12.2015	Main field of activity	Domicile
Operating segment: corporate functions					
Ekspress Grupp AS	Parent company			Holding company and support services	Estonia
Ekspress Digital OÜ	Subsidiary	100%	100%	Provision of IT services	Estonia
Ekspress Finance OÜ	Subsidiary	100%	100%	Provision of financing for the Group	Estonia
Operating segment: media (online and print media)					
Ekspress Meedia AS (former Delfi AS)	Subsidiary	100%	100%	Online media, publishing of daily and weekly newspapers (from 1 July 2015 merged with AS Eesti Ajalehed)	Estonia
Delfi A/S	Subsidiary	100%	100%	Online media	Latvia
Delfi UAB	Subsidiary	100%	100%	Online media and magazine publishing (merged with UAB Ekspress Leidyba on 1 July 2014)	Lithuania
Sport Media UAB	Subsidiary	51%	51%	Currently dormant	Lithuania
Delfi Holding SIA	Subsidiary	100%	100%	Holding company (previously parent company to Delfi companies in different countries)	Latvia
Zave Media OÜ	Subsidiary	100%	100%	Developer of portal incorporating retailers' sales offers throughout Baltics (set up in June 2015)	Estonia
Hea Lugu OÜ	Subsidiary	100%	100%	Book publishing	Estonia
Ajakirjade Kirjastus AS	Joint venture	50%	50%	Magazine publishing	Estonia
SL Õhtuleht AS	Joint venture	50%	50%	Newspaper publishing	Estonia
Express Post AS	Joint venture	50%	50%	Newspaper publishing	Estonia
Adnet Media UAB	Associate	49%	49%	Online advertising solutions and network	Lithuania
Adnet Media OÜ	Associate	49%	49%	Online advertising solutions and network	Estonia
Adnet Media SIA	Associate	49%	49%	Online advertising solutions and network	Latvia
Operating segment: printing services					
Printall AS	Subsidiary	100%	100%	Printing services	Estonia
Operating segment: entertainment					
Delfi Entertainment SIA	Subsidiary	100%	100%	Arrangement of exhibitions	Latvia

Note 2. Bases of preparation

The consolidated interim financial statements of AS Ekspress Grupp for the 1st quarter ended on 31.03.2016 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 2015.

The Management Board estimates that the interim consolidated financial statements for the 1st quarter of 2016 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.

Starting from 1 January 2016, several new standards, amendments to standards and interpretations were entered into force which became mandatory for the Group but none of which have a significant impact on the Group's interim financial statements.

Note 3. Financial risk management

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

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

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

The main role upon the management of risks is vested in the management boards of the Parent and its subsidiaries. The Group assesses and limits risks through systematic risk management. The finance department of the Group is engaged to deal with the financing of the Parent Company and its subsidiaries, hence also managing of liquidity and interest rate risks. 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	31.03.2016	31.12.2015
SEB	Aa3	A+	2 363	2 266
Swedbank	Aa3	AA-	313	285
Nordea/Danske	Aa3/A2	AA-/A	389	364
Total			**3 065**	**2 915**

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 especially in Lithuania is to pay invoices 1-3 months past their due date and not to consider it as a violation of the credit discipline. 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 to related parties due to their solid financial position.

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

Overdraft credit is used to finance working capital, long-term bank loans and finance lease agreements are used to make capital expenditures to acquire non-current assets. The Group's overdraft is long-term and related to the term of the syndicated loan contract. This essentially works as a long-term line of credit, the use of which the Group can regulate at its own discretion. Though the Group has now moderate leverage, liquidity risk management remains 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 taken 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 170 thousand euros per year.

Type of interest	Interest rate	31.03.2016 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	3-month Euribor + 2.5%	Syndicated loan (*Parent Company*)	1 517	9 065	10 582
	3-month Euribor + 2.5%	Syndicated loan *(Printall)*	682	5 827	6 509
	1-month Euribor + 2.3%	Finance lease *(Printall)*	36	9	45
	1-month Euribor + 1.9%	Overdraft	0	0	0

Type of interest	Interest rate	31.12.2015 (EUR thousand)	<= 1 year	>1 year and <=5 years	Carrying amount
Floating interest	1-month Euribor + 2.5%	Syndicated loan (*Parent Company*)	1 507	9 449	10 955
	1-month Euribor + 2.5%	Syndicated loan *(Printall)*	678	5 988	6 666
	1-month Euribor + 2.3%	Finance lease *(Printall)*	56	9	65
	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 to some extent 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 income of the Group's local companies (exc. for. Printall) is fixed in local currencies, i.e. the euro. The Group also pays most of its suppliers and employees in local currencies. The subsidiary Printall exports outside of euro-zone and it also issues invoices denominated in Norwegian kroner and Swedish kronor. In the 1st quarter of 2016, such foreign exchange risk was on a level of ca 5% of Group's revenue (1st quarter 2015: ca. 6%). 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. No other means are used for hedging foreign exchange risk.

As of 31.03.2016, the Group had foreign currency risk related to the Swedish krona in the amount of EUR 423 thousand and other currencies (NOK, USD) in the amount of EUR 123 thousand. As of 31.12.2015, the Group had foreign currency risk related to the Swedish krona in the amount of EUR 465 thousand and other currencies (GBP, NOK, USD) in the amount of EUR 21 thousand.

Price risk

The price of paper affects the activities of the Group the most. Taking into consideration various criteria, the Group has determined the most optimal way of accepting paper price risk and thus does not consider it necessary to use derivative instruments to hedge this 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 and in-house lawyers. 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 the 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. As at balance sheet date the equity ratio of the Group is in compliance with covenant set in the syndicate loan contract.

Equity ratios of the Group

(EUR thousand)	31.03.2016	31.12.2015
Interest-bearing debt	17 135	17 687
Cash and bank accounts	3 075	2 927
Net debt	14 060	14 760
Equity	48 991	48 674
Total capital	63 051	63 434
Debt to capital ratio	**22%**	**23%**
Total assets	73 011	73 180
Equity ratio	**67%**	**67%**

Note 4. Property, plant and equipment, and intangible assets

(EUR thousand)	Property, plant and equipment		Intangible assets	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Balance at beginning of the period				
Cost	32 543	31 832	63 834	63 889
Accumulated depreciation and amortisation	(18 752)	(17 326)	(19 244)	(17 602)
Carrying amount	**13 791**	**14 506**	**44 590**	**46 287**
Acquisitions and improvements	147	172	58	48
Disposals (at carrying amount)	(4)	(1)	0	0
Write-offs and write-downs of PPE	(1)	(1)	0	0
Depreciation and amortisation	(507)	(460)	(193)	(235)
Balance at end of the period				
Cost	32 652	32 081	63 892	63 946
Accumulated depreciation and amortisation	(19 224)	(17 865)	(19 437)	(17 846)
Carrying amount	**13 427**	**14 217**	**44 454**	**46 100**

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

Note 5. Intangible assets

Intangible assets by type

(in thousands)	EUR	
	31.03.2016	31.12.2015
Goodwill	36 953	36 953
Trademarks	6 781	6 911
Other intangible assets	720	726
Total intangible assets	**44 454**	**44 590**

Goodwill by cash-generating units and segments

(in thousands)	EUR	
	31.03.2016	31.12.2015
Delfi Estonia	15 281	15 281
Delfi Latvia	7 007	7 007
Delfi Lithuania	12 848	12 848
Maaleht	1 816	1 816
Total goodwill	**36 953**	**36 953**

Note 6. Bank loans and borrowings

(EUR thousand)	Total amount	Repayment term	
		Up to 1 year	1 - 5 years
Balance as of 31.03.2016			
Long-term bank loans	**17 091**	2 199	14 892
incl. syndicated loan (AS Ekspress Grupp)	**10 582**	1 517	9 065
incl. syndicated and mortgage loan (AS Printall)	**6 509**	682	5 827
Finance lease	**45**	36	9
Total	**17 136**	**2 235**	**14 901**
Balance as of 31.12.2015			
Long-term bank loans	**17 621**	2 184	15 437
incl. syndicated loan (AS Ekspress Grupp)	**10 955**	1 507	9 449
incl. syndicated and mortgage loan (AS Printall)	**6 666**	678	5 988
Finance lease	**65**	56	9
Total	**17 686**	**2 240**	**15 447**

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 September 2015, the joint syndicated loan of AS Ekspress Grupp and AS Printall was refinanced. The parties to the contract continue to be SEB Bank and Nordea Bank. As a result of the transaction, the new maturity date of the loan is October 2020. The main changes relate to the annual principal loan repayment and the applied interest rate. The annual loan repayment is approximately EUR 2 million and from 25 September 2015, the interest rate is 3-month EURIBOR + margin. Upon the expiration of the loan contract, the total loan balance will be ca EUR 7 million.

Refinancing of the loan will increase the amount of available capital in the company and enables to react in a timely manner to possible investment needs or increase dividends payable to the shareholders.

Refinancing of the loan contract became possible because the group's loan burden had significantly decreased, making further depreciation of the loan at current rate no longer justified.

In March 2015, the Group repaid a syndicated loan in the amount of EUR 1.6 million before its due date, which became available from the deposit that had been set up to guarantee the loans of joint ventures. In August 2015, AS Printall received a EUR 0.7 million from an additional loan used to finance the purchase of a new sheet-fed machine acquired in 2014.

The syndicated and other loans are secured by the shares of the subsidiaries, the guarantees of Estonian subsidiaries in the amount of EUR 37 million, the commercial pledge on the assets of AS Printall in the amount of EUR 19 million (As of 31.12.2014: EUR 16 million), 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 has been set on the registered immovable and production facilities of AS Printall in the amount of EUR 9 million. As of 31.03.2016, the carrying amount of the building was EUR 3.3 million and that of the registered immovable was EUR 0.4 million. Ultimate controlling shareholder has also given a personal guarantee in the amount of EUR 4 million to cover the syndicated loan and overdraft agreements.

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 end of the quarter, all financial ratios were in compliance with the loan covenants set in the loan contract.

Overdraft facilities

Date of contract	Bank	Limit (EUR thousand)	Used 31.03.2016 (EUR thousand)	Used 31.12.2015 (EUR thousand)	Interest rate	Expiration date of the contract
12.07.2012	Nordea Bank AB Estonia Branch	1 320	0	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**	**0**	**0**		

Note 7. Segment reporting

The management has determined the operating segments based on the reports reviewed by the Management Board of the Parent Company AS Ekspress Grupp. The Management Board considers the business from the company perspective.

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 Ekspress Meedia (former AS Delfi and AS Eesti Ajalehed in Estonia), AS Delfi (Latvia), UAB Delfi (Lithuania), Delfi Holding SIA (Latvia), OÜ Hea Lugu (Estonia) and OÜ Zave Media (Estonia).

This segment also includes the joint ventures AS Ajakirjade Kirjastus, AS SL Õhtuleht and AS Express Post. 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** is derived 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 and other projects.

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

Segment revenue is derived from the sale of paper and printing services.

Entertainment segment: organisation of exhibitions and other events. At present this new segment includes Latvian company SIA Delfi Entertainment. Income and expenses related to the entertainment segment but recognised at the parent company for which no separate subsidiary has been established yet, are also allocated to this segment. The segment revenue comes from exhibition's tickets sales and from sale of other services related to the organized events.

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.

Q1 2016 (EUR thousand)	Media	Printing services	Enter-tainment	Corporate functions	Elimi-nations	Total Group
Sales to external customers (subsidiaries)	**6 771**	**5 813**	**0**	**27**	**(356)**	**12 255**
Effect of joint ventures	2 426	(253)	0	(12)	(14)	2 147
Inter-segment sales	0	781	0	524	(1 305)	0
Total segment sales, incl. joint ventures	9 197	6 341	0	539	(1 675)	14 402
EBITDA (subsidiaries)	**34**	**1 182**	**(2)**	**(189)**	**0**	**1 025**
EBITDA margin (subsidiaries)	**1%**	**19%**	**-**			**8%**
EBITDA incl. joint ventures	*251*	*1 182*	*(2)*	*(189)*	*0*	*1 242*
EBITDA margin incl. joint ventures	*3%*	*19%*	*-*			*9%*
Depreciation (subsidiaries) (Note 4)						700
Operating profit (subsidiaries)						324
Investments (subsidiaries) (Note 4)						205

Q1 2015 (EUR thousand)	Media	Printing services	Enter-tainment	Corporate functions	Elimi-nations	Total Group
Sales to external customers (subsidiaries)	**6 576**	**5 780**	**61**	**27**	**(351)**	**12 093**
Effect of joint ventures	2 381	(256)	0	(2)	(36)	2 087
Inter-segment sales	5	794	0	446	(1 245)	0
Total segment sales, incl. joint ventures	8 963	6 318	61	471	(1 633)	14 180
EBITDA (subsidiaries)	**279**	**1 161**	**24**	**(226)**	**0**	**1 238**
EBITDA margin (subsidiaries)	**4%**	**18%**	**39%**			**10%**
EBITDA incl. joint ventures	*558*	*1 161*	*24*	*(226)*	*(0)*	*1 517*
EBITDA margin incl. joint ventures	*6%*	*18%*	*39%*			*11%*
Depreciation (subsidiaries) (Note 4)						695
Operating profit (subsidiaries)						543
Investments (subsidiaries) (Note 4)						220

Note 8. Earnings per share

Basic earnings per share have been calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period. Treasury shares owned by the Parent Company are not taken into account as shares outstanding.

EUR	Q1 2016	Q1 2015
Profit attributable to equity holders	312 461	556 465
Average number of ordinary shares	29 632 946	29 724 535
Basic and diluted earnings per share	0.01	0.02

As the Group had no instruments diluting earnings per share as of 31.03.2016 and 31.12.2015, **diluted net profit per share** was equal to regular net profit per share.

Note 9. 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 as a staff cost in the income statement and, on the side, as a share option reserve in equity. As of 31.03.2016 this reserve totalled EUR 645 thousand and the number of earned shares was 570 400. As of 31.12.2015, this reserve totalled EUR 611 thousand and the number of earned shares was 540 400. See also Note 10.

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 10. Equity and dividends

Share capital and share premium

As of 31 March 2016 and 31 December 2015, 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 31.03.2016, AS Ekspress Grupp had purchased ca 172 thousand treasury shares at the average price of EUR 1.19 per share for the total of EUR 205 thousand. As of 31.12.2015, AS Ekspress Grupp had purchased 149 thousand at the average price of EUR 1.18 per share for the total of EUR 178 thousand.

Dividends

At the Ordinary General Meeting of Shareholders held on 27 May 2015, it was decided to pay dividends to shareholders in the amount of four euro cents per share in the total amount of EUR 1 187 thousand. Dividends were paid out on 2 October 2015. There will be no accompanying income tax liability because the Company will pay out dividends it has received from its joint ventures and subsidiaries that have already paid corporate income tax on dividends or the profit which has already been taxed in its domicile. Therefore, there will be no additional tax to be paid on distribution of dividends from the Parent Company.

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 9).

(EUR thousand)	EUR	
	31.03.2016	31.12.2015
Statutory reserve capital	537	537
Additional cash contribution from shareholder	639	639
Share option reserve	645	611
Total reserves	**1 821**	**1 787**

Note 11. Related party transactions

Transactions with related parties are transactions with shareholders, associates, joint ventures, members of the Key Management of all group companies, 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 (lease of non-current assets, management services, other services) to the following related parties:

SALES (EUR thousand)	Q1 2016	Q1 2015
Sales of goods		
Associates	105	111
Total sale of goods	**105**	**111**
Sale of services		
Members of Supervisory Board and companies related to them	2	1
Joint ventures	549	535
Total sale of services	**551**	**536**
Total sales	**656**	**647**

PURCHASES (EUR thousand)	Q1 2016	Q1 2015
Purchase of services		
Members of Management Board and companies related to them	10	10
Members of Supervisory Board and companies related to them	74	67
Associates	0	1
Joint ventures	221	213
Total purchases of services	**305**	**291**

RECEIVABLES (EUR thousand)	31.03.2016	31.12.2015
Short-term receivables		
Members of Supervisory Board and companies related to them	3	6
Associates	268	245
Joint ventures	298	247
Total short-term receivables	**569**	**498**
Long-term receivables		
Members of Supervisory Board and companies related to them	160	160
Joint ventures	907	907
Total long-term receivables	**1 067**	**1 067**
Total receivables	**1 636**	**1 565**

LIABILITIES (EUR thousand)	31.03.2016	31.12.2015
Current liabilities		
Members of Management Board and companies related to them	3	3
Members of Supervisory Board and companies related to them	11	14
Joint ventures	99	87
Total liabilities	**113**	**104**

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. In the 1st quarter of 2016, a payment of EUR 15 thousand (2015: EUR 15 thousand) was made and there are no outstanding liabilities as of 31 March 2016 and 31 December 2015.

The management estimates that the transactions with related parties have been carried out at arms' length condition. As of 31.03.2016, an allowance for the receivable from the associate Medipresa UAB was made in the amount of EUR 22 thousand (31.12.2015: EUR 13 thousand) in accordance with the ownership interest in the negative equity of Medipresa UAB.

Remuneration of members of the Management Boards of the consolidation group

(EUR thousand)	Q1 2016	Q1 2015
Salaries and other benefits (without social tax)	315	284
Termination benefits (without social tax)	0	22
Share option	34	30
Total (without social tax)	**349**	**336**

The members of all management boards of the group companies (incl. key management of foreign subsidiaries if these companies do not have management board as per Estonian Commercial Code) (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 payable only in case the termination of contracts is originated by the company. If a member of the Key Management is recalled without a substantial reason, a notice thereof shall be given up to 3 months in advance and the member shall be paid compensation for termination of the contract in the amount of up to 7 months' salary. Upon termination of an employment relationship, no compensation shall be usually paid if a member of the Key Management leaves at his or her initiative or if a member of the Key Management is removed by the Supervisory Board with a valid reason. As of 31.03.2016, the maximum gross amount of potential Key Management termination benefits was 531 thousand (31 December 2015: EUR 508 thousand). No remuneration is paid separately or in addition to the members of the Supervisory Boards of the Group companies and no compensation is paid if they are recalled.

Chairman of the Management Board of the Group also participates in share option plan described in Note 9.

Note 12. Contingent assets and liabilities

Contingent liabilities arising from pending court cases

The Group's subsidiaries have several pending court cases, the impact of which on the Group's financial results is insignificant.

OÜ Grupivara, minority shareholder of AS Ekspress Grupp, holding 100 shares in the Company, has challenged in the court the results of the impairment tests of goodwill of Delfi Latvia and Delfi Estonia in the financial statements for the years 2013 and 2014. OÜ Grupivara claims that bigger impairment losses on goodwill should have been recognized in the annual reports. Hence, the annual reports should have not been approved and a decision to pay dividends should have not been made.

The Management Board of AS Ekspress Grupp and its auditors are in an opinion that financial statements for 2013 and 2014 present fairly, in all material respects, the financial position and the financial performance of the company in accordance with the International Financial Reporting Standards as adopted by the European Union**.**

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.