

Olympic Entertainment Group AS

Unaudited consolidated interim financial statements  
for the 1<sup>st</sup> half and 2<sup>nd</sup> quarter of 2007

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Beginning of financial year	1 January 2007
End of reporting period	30 June 2007
Managing director	Armin Karu
Auditor	KPMG Baltics AS

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## DIRECTORS' REPORT

### Corporate profile

Olympic Entertainment Group AS (hereinafter also the "Group") is the leading gaming services provider in the Baltic countries (Estonia, Latvia and Lithuania) and a swiftly expanding gaming facilities operator in Ukraine, Belarus and Poland.

In the first half of 2007, the Group continued vigorous expansion. On 12 April our Romanian subsidiary Olympic Casino Bucharest S.r.l. signed an agreement with the local casino operator Empire International Game World, acquiring the latter's assets and becoming the owner of three casinos in the Romanian capital Bucharest.

At the beginning of April, we completed the acquisition of Kristiine Kasiino AS and Casinova OÜ. The operations of Kristiine Kasiino AS and Olympic Casino Eesti AS were combined in the second quarter and the legal merger of the two entities was finalised on 18 July when a corresponding entry was made in the Commercial Register. The purpose of the transaction, which increased our estimated share in the Estonian gaming market to 45%, was to expand operations and reinforce our position in the Estonian gaming market. The casinos of Kristiine Kasiino AS will be refurbished within a year. According to plan, the revamp will cost around 80 million kroons (€5 million), most of which will be spent on the acquisition of new gaming equipment.

In April 2007, we established a subsidiary in Slovakia in order to prepare the ground for penetration of the Slovakian gaming market.

At the end of April, we completed the acquisition of an 80% stake in Casino Polonia-Wroclaw Sp. z o.o. ("CP"). In May 2007, CP opened a new casino in a Hilton Hotel in Warsaw. Investments in the new casino totalled around 110 million kroons (€7 million). With its 1500 square metres, 100 slot machines and 20 game tables, Olympic Casino Sunrise is the largest casino in Poland.

Implementation of our expansion plans continues in the second half-year. On 5 July, the Ukrainian subsidiary signed a preliminary agreement on the acquisition of the leading Ukrainian casino operator Eldorado. The three entities which are involved in the operation of Eldorado casinos will be acquired after a final purchase agreement has been signed and the transaction has been approved by the Ukrainian competition authority. We hope to finalise the process in autumn 2007. Under the preliminary agreement, the interests acquired will cost around 144 million kroons (€9.2 million).

In July, we acquired a 97.5% ownership in Kesklinna Hotelli OÜ with a view to launching a new activity - the development of casino hotels and complexes.

Olympic Entertainment Group AS has been listed in the main list of Tallinn Stock Exchange since 23 October 2006.

The company's head office is located at Pronksi 19, Tallinn.

The Group operates slot and table casinos which belong to its subsidiaries. At most casinos the Group also operates casino bars. At 30 June 2007, the Group had 104 casinos - 35 in Estonia, 36 in Latvia, 10 in Lithuania, 11 in Ukraine, 2 in Belarus, 7 in Poland and 3 in Romania - and employed 3,386 people in 7 countries.

The Group is a firm market leader in Estonia and Lithuania and holds the second position in the Latvian casino market while the Ukrainian, Belarusian, Polish and Romanian subsidiaries are focused on gaining and expanding their market shares.

Olympic Entertainment Group AS is the Group's ultimate holding company, which deals with the Group's strategic management and financing. The Group's casinos are operated by local subsidiaries: Olympic Casino Eesti AS in Estonia, Olympic Casino Latvia SIA in Latvia, Olympic Casino Baltija UAB in Lithuania, Olympic Casino Ukraine TOV in Ukraine, Olympic Casino Bel IP in Belarus, Casino Polonia-Wroclaw Sp. z o.o. in Poland and Olympic Casino Bucharest S.r.l. in Romania. In Estonia, Latvia and

Lithuania, the Group's ancillary operations, such as the operation of a hotel in Tallinn and the running of casino bars, have been separated from casino operations and assigned to specialized entities. A complete list of Group companies can be found in note 6 to the financial statements.

The Group's casinos operate mostly under the Olympic Casino brand name. Some Latvian casinos, which were acquired at the end of 2005, still operate under the Bumerangs brand name and the casinos of Casino Polonia-Wroclaw Sp. z o.o., except for the recently launched Olympic Casino Sunrise, still operate under the Casino Polonia name. Some Kristiine Kasiino casinos, which were acquired in 2007, are operating under their old brand name but we expect to rebrand them this year. In Estonia, Latvia and Lithuania, Olympic Casinos operate in conformity with the international quality management standard ISO 9001 (in Estonia since 1998, in Latvia and Lithuania since 2004).

### **Unaudited consolidated operating results for the first half of 2007**

In the first half of 2007, the priority of the Group was to expand aggressively in line with its corporate vision and strategy. The Group's results for the first six months include the results of Kristiine Kasiino AS entities (consolidated from 1 April) and Casino Polonia - Wroclaw Sp. z.o.o. (consolidated from 1 May). Olympic Casino Sunrise, which generates approximately two thirds of the revenues of CP, began operating at the end of May. Olympic Casino Bucharest started its activities on 1 June with one open gaming hall; two gaming halls are closed for renovation.

The Group's Q2 consolidated revenues totalled 573.3 million kroons (€36.6 million), a strong 52.8% improvement on a year ago.

Q2 operating profit amounted to 108.6 million kroons (€6.9 million) and net profit to 106.4 million kroons (€6.8 million). Compared with Q2 2006, operating profit increased by a solid 49.2% and net profit by an exceptional 84.4%. Q2 operating margin was 18.9% and net margin 18.6%.

Consolidated revenues for the first half-year totalled 1,034.4 million kroons (€66.1 million), 42.8% up on the first half of 2006.

The Group's operating profit for the first half of 2007 amounted to 196.0 million kroons (€12.5 million), 10.1% up on a year ago, and net profit surged to 189.0 million kroons (€12.0 million), 24.6% up on a year ago. Operating margin and net margin for the first six months of 2007 were 18.9% and 18.3% respectively.

In Q1 we forecast that thanks to geographical expansion and growth in operating volumes the first half of 2007 would generate revenues of 1.1 billion kroons (€70.3 million) and an operating profit of 211 million kroons (€13.5 million). Compared with the same period in 2006, revenue and operating profit forecasts were 51.7% and 18.6% larger respectively.

Actual revenue proved 6% and operating profit 7.1% smaller than projected. The differences between actual and projected results stemmed from changes in the opening dates of new casinos.

Our forecasts for 2007 remain revenue of 2.67 billion kroons (€170.5 million), 60% up on 2006, and operating profit of 595 million kroons (€38.0 million), 34% up on 2006. Forecasts for the current year have not been changed because of ongoing acquisitions, stronger than expected results in Poland and a positive trend in revenue growth.

## Financial highlights

### Q2 2007:

Revenue:	573.3 million kroons (year-on-year growth 52.8%)
Operating profit:	108.6 million kroons (year-on-year growth 49.2%)
Operating margin*:	18.9% (Q2 2006: 19.4%)
Profit before tax:	115.5 million kroons (year-on-year growth 66.7%)
Net profit**:	106.4 million kroons (year-on-year growth 84.4%)
Net margin***:	18.6% (Q2 2006: 15.4%)

### I half of 2007:

Revenue:	1034.4 million kroons (year-on-year growth 42.8%)
Operating profit:	196.0 million kroons (year-on-year growth 10.2%)
Operating margin*:	18.9% (I half 2006: 24.6%)
Profit before tax:	212.5 million kroons (year-on-year growth 23.9%)
Net profit**:	189.0 million kroons (year-on-year growth 24.6%)
Net margin***:	18.3% (I half 2006: 20.9%)

\* Operating margin = operating profit / revenue

\*\* Net profit before minority interest

\*\* Net margin = net profit / revenue

€1 = 15.6466 kroons

Similarly to prior periods, the bulk , i.e. 95%, of consolidated revenue resulted from gaming operations, other operations contributed 5%.

Distribution of consolidated revenue by geographical segments (in thousands of kroons):

	I half 2007	Proportion	I half 2006	Proportion	Revenue growth
Estonia	402,988	39.0%	290,369	40.1%	38.8%
Latvia	316,397	30.6%	216,419	29.9%	46.2%
Lithuania	200,334	19.4%	179,761	24.8%	11.4%
Ukraine	69,150	6.7%	37,972	5.2%	82.1%
Belarus	3,569	0.3%	-	-	-
Poland	40,721	3.9%	-	-	-
Romania	1,224	0.1%	-	-	-
Total	1,034,383	100%	724,521	100%	42.8%

€1 = 15.6466 kroons

The largest share of the Group's revenue was earned in Estonia. The contributions of Ukraine and Poland increased notably but the highest year-on-year growth rates were achieved in Ukraine and Latvia. The decline in the proportion of Lithuanian revenues and the fact that revenue growth in Lithuania is lagging behind the Group's average may be attributed to the temporary closure of the leading casino in Kaunas (the hotel in which the casino is located is under renovation) and the allocation of the Group's investments to swiftly developing markets in Ukraine, Poland and Romania.

Consolidated operating expenses for the first half of 2007 totalled 838.4 million kroons (€53.6 million), 53.4% up on the 546.6 million kroons (€34.9 million) incurred a year ago. The largest expense item was labour costs which extended to 272.5 million kroons (€17.4 million). The next in size were gaming tax and activity licence expenses of 115 million kroons (€7.3 million), depreciation and amortisation expenses of 107.7 million kroons (€6.9 million), marketing expenses of 76 million kroons (€4.9 million) and buildings-related lease expenses of 66.5 million kroons (€4.3 million). In the income statement, gaming taxes and marketing and lease expenses are recognised in *Other operating expenses*.

The increase in operating expenses is related, above all, to the Group's rapid expansion and revenue growth. In absolute terms, the largest growth occurred in labour costs which increased by 99.1 million kroons (€6.3 million), i.e. 57.2% compared to a year ago. The increase in labour costs may be explained by the Group's

expansion and the opening of new casinos. The growth in gaming tax expenses is related to the launch of new casinos and an increase in gaming tax rates in Latvia. Depreciation and amortisation expenses have expanded due to investment in new casinos, gaming equipment and information technology. The rise in lease expenses results from the opening of new casinos while the growth in marketing expenses stems from thriving sales which increase customers' bonus points, and the costs of promoting new casinos.

### **Balance sheet and capital expenditures**

At 30 June 2007, the consolidated balance sheet of Olympic Entertainment Group AS stood at 2,378.8 million kroons (€152.0 million), up 3.0% on the 2,309.2 million kroons (€147.6 million) measured at 31 December 2006.

Current assets amounted to 699.8 million kroons (€44.7 million), accounting for 29.4% of total assets, while non-current assets amounted to 1,679.1 million kroons (€107.3 million), accounting for 70.6% of total assets. The proportion of current assets decreased due to the acquisition of subsidiaries, investment and the distribution of dividends.

Consolidated liabilities totalled 242.6 million kroons (€15.5 million) and equity equalled 2,136.2 million kroons (€136.5 million). The Group's liabilities consist of regular liabilities arising monthly from ordinary operating activities. At 30 June, the largest items comprised tax liabilities of 74.1 million kroons (€4.7 million), payables to employees of 55.7 million kroons (€3.6 million), other accrued expenses of 7.8 million kroons (€0.5 million), and trade payables of 36.4 million kroons (€2.3 million). Other liabilities included finance lease liabilities of 25.5 million kroons (€1.6 million), and the deferred income tax liability, payables to customers and provisions for winnings of 43.1 million kroons (€2.8 million) in aggregate.

In the first six months of 2007, the Group's investments excluding business combinations totalled 262.1 million kroons (€15.5 million). Expenditures on the renovation of leased premises amounted to 77.1 million kroons (€4.9 million), equipment acquisitions totalled 151.6 million kroons (€9.7 million), and expenditures on other items of property, plant and equipment equalled 33.4 million kroons (€2.1 million). Business combinations increased the carrying amount of property, plant and equipment by 140.8 million kroons (€9.0 million).

Intangible assets increased on account of assets and goodwill of 408.4 million kroons (€26.1 million) acquired through business combinations. Software-related investments totalled 1.6 million kroons (€0.1 million).

### **People**

In connection with the opening of new casinos, the number of staff grew from 2,165 on 30 June 2006 to 3,265 on 30 June 2007, a 50% increase. At the end of June, the Group employed 784 people in Estonia, 913 in Latvia, 742 in Lithuania, 235 in Ukraine, 63 in Belarus, 400 in Poland and 128 in Romania.

Employee remuneration expenses for the first half of 2007 including social taxes amounted to 272.5 million kroons (€17.4 million) against 173.3 million kroons (€11.1 million) a year ago.

## Results of casino operators

At the end of June 2007, the Group had 104 casinos with a total area of 29,200 square metres. A year ago, the number of casinos was 71 and their total area 20,282 square metres.

Number of casinos by markets:

	30 June 2007	30 June 2006
Estonia	35	19
Latvia	36	38
Lithuania	10	8
Ukraine	11	6
Belarus	2	0
Poland	7	0
Romania	3	0
TOTAL	104	71

### OLYMPIC CASINO EESTI AS

The legal merger of Olympic Casino Eesti AS (OCE) and Kristiine Kasiino AS was successfully completed on 18 July. In Q2 preparations were made for rebranding the first Kristiine Kasiino casinos and bringing them under the Olympic Casino brand name. The first refurbished casino in Kristiine Centre was opened on 1 August 2007. Another former Kristiine Kasiino casino in Tallinn Coach Terminal will reopen its doors in the near future and the casino at Mustika Shopping Centre is also under renovation. The modernization and rebranding of Kristiine Kasiino casinos should be completed within a year. At the end of June 2007, there were 35 Olympic casinos in Estonia including 9 outside Tallinn; 24 of the casinos operated under the Olympic Casino and 11 under the Kristiine Kasiino brand name. The casinos had a total of 1,259 slot machines and 22 game tables.

OCE ended the first six months of 2007 with revenue of 363.5 million kroons (€23.2 million), 28.2% upon a year ago. Net profit amounted to 149.5 million kroons (€9.6 million), 20% up year-on-year. Profit growth was attained thanks to revenue growth at existing casinos and a successful launch of new casinos.

### OLYMPIC CASINO LATVIA SIA

In 2007, the priorities of Olympic Casino Latvia SIA (OCL) include transferring most of the casinos of Baltic Gaming AS (BG) under the Olympic Casino brand name (smaller casinos will remain under the Bumerangs name) and completing the legal merger of the two companies. The legal merger was successfully finalised on 5 July.

In the first half of 2007, no new casinos were opened but five former BG casinos (2 in Ventspils, 1 in Riga and 1 in Daugavpils) were refurbished and adjusted to Olympic Casino standards. The last preparations are being made for opening a third refurbished casino in Daugavpils. At the end of June 2007, OCL operated 36 casinos with a total of 1,128 slot machines and 40 game tables.

OCL's and BG's revenues for the first half of 2007 totalled 300.4 million kroons (€19.2 million), a 15-fold improvement on a year ago. Net profit for the period amounted to 34.7 million kroons (€2.2 million), a 9.4% decrease from a year ago. Profit has shrunk because of larger gaming taxes (the rates rose at the beginning of the year), increasing sales which boost jackpot and bonus point expenses, the costs of combining BG and OCL, and investment-triggered growth in depreciation expenses.

#### **OLYMPIC CASINO GROUP BALTIJA UAB**

Olympic Casino Group Baltija UAB (OCGB) did not open any new casinos in the first half of 2007. However, the Lithuanian subsidiary intends to open two new casinos in September. On 1 March, OCGB's leading casino in Kaunas was closed for half a year for renovation and refurbishment. At the end of June 2007, OCGB operated 10 casinos (including the one temporarily closed for renovation) with 398 slot machines and 62 game tables under the Olympic Casino brand name.

OCGB ended the first half of 2007 with revenue of 191.4 million kroons (€12.2 million), 10.6% up year-on-year. Compared with the first half of 2006, net profit increased by 20.0% to 40.9 million kroons (€2.6 million).

#### **OLYMPIC CASINO UKRAINE TOV**

Olympic Casino Ukraine TOV (OCU) opened its tenth casino on Pobeda Prospekt at the end of April 2007. The eleventh casino in Saksaganskovo street was opened in June. All of OCU's casinos are located in Kiev. At the end of June 2007, they had a total of 522 slot machines.

In the middle of July, OCU opened its twelfth casino in 40 Let Oktjabrja street in Kiev.

OCU ended the first half of 2007 with revenue of 69.1 million kroons (€4.4 million), a 1.8-fold increase on a year ago, and a net profit of 4.8 million kroons (€0.3 million). Net profit for the first half of 2006 amounted to 2.2 million kroons (€0.1 million). Profit growth may be attributed to strong revenue growth. Owing to rapid expansion, OCU's profit margin is lower than that of the other Group entities.

#### **OLYMPIC CASINO BEL IP**

Olympic Casino Bel IP, which was established in July 2005, opened its first casino in the middle of August 2006. The second slot casino was opened on 9 May 2007 in Pritytskovo district in Minsk. At present, Olympic Casino Bel IP is preparing for the opening of three more Olympic Casinos.

The entity's revenue for the first half of 2007 amounted to 3.6 million kroons (€0.2 million). Due to expenses incurred in connection with the opening of new casinos, the reporting period ended in a loss of 11.2 million kroons (€0.7 million).

#### **CASINO POLONIA - WROCLAW SP. Z.O.O**

The Group penetrated the Polish gaming market in April 2007 by acquiring an 80% stake in the Polish casino operator Casino Polonia-Wroclaw Sp.Z.o.o (CP). Preparations for the project began in September 2005 already. With the transaction, the Group acquired seven Casino Polonia casinos in four Polish cities - Warsaw, Wroclaw, Szczecin and Gorzow Wielkopolsk. The facilities will soon be transferred under the Olympic Casino brand name.

On 29 May, CP opened a casino in a five-star Hilton Hotel in Warsaw. CP's investments in the casino totalled 110 million kroons (€7 million). With its 1,500 square metres, 100 slot machines and 20 game tables, Olympic Casino Sunrise is the largest casino in Poland.

CP ended the reporting period with revenue of 40.3 million kroons (€2.6 million). Due to investments made for the opening of the casinos, the period ended in a loss of 7.9 million kroons (€0.5 million).

#### **OLYMPIC CASINO BUCHAREST S.R.L.**

On 12 April 2007, Olympic Casino Bucharest S.r.l. (OCR) signed an agreement for the acquisition of the assets of Empire International Game World, one of the best-known Romanian casino operators. Under the agreement, OCR acquired three casinos in the Romanian capital, including Napoleon – one of the city's most luxurious casinos located in the Sofitel Hotel in Bucharest's World Trade Centre – and two slot casinos which are also located in the centre of Bucharest.

Currently only the casino in the Sofitel Hotel is open for business (it opened doors on 1 June). The other two have been temporarily closed for renovations which should be completed by 1 November. According to plan, the casino in the Sofitel Hotel will be renovated and extended at the end of the year.

In the first half of 2007, OCR generated revenue of 1.2 million kroons (€0.1 million). Redesign of operations gave rise to expenses which caused OCR to end the period in a loss of 2.2 million kroons (€0.1 million).

#### The Group's key financials

	I half 2007	I half 2006	Change
Revenue (kroons, millions)	1034.4	724.5	42.8%
EBITDA (kroons, millions)	303.7	265.8	14.3%
Operating profit (kroons, millions)	196.0	177.9	10.1%
Net profit (kroons, millions)	189.0	151.7	24.6%
EBITDA margin	29.4%	36.7%	-19.9%
Operating margin	18.9%	24.6%	-23.2%
Net margin	18.3%	20.9%	-12.4%
Equity ratio	89.8%	63.4%	41.6%

#### Underlying formulas

- o EBITDA = earnings before financial expenses, taxes, depreciation, amortisation and impairment losses
- o Operating profit = profit before financial expenses and taxes
- o Net profit = net profit for the period before minority interest
- o EBITDA margin = EBITDA / revenue
- o Operating margin = operating profit / revenue
- o Net margin = net profit / revenue
- o Equity ratio = equity / total assets

€1 = 15.6466 kroons

## Consolidated interim financial statements

### Statement of management responsibility

The management board of Olympic Entertainment Group AS acknowledges its responsibility for the preparation, integrity and fair presentation of the consolidated interim financial statements of Olympic Entertainment Group AS for the second quarter and the first half-year of 2007 presented on pages 11 to 31 of this report and confirms that to the best of its knowledge, information and belief:

- ❑ the policies applied in the preparation of the consolidated interim financial statements comply with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as adopted by the EU;
- ❑ the consolidated interim financial statements give a true and fair view of the financial position of the Group and of the results of its operations and its cash flows;
- ❑ all significant events that occurred until the date on which the consolidated interim financial statements were authorised for issue (29 August 2007) have been properly recognised and disclosed; and
- ❑ Olympic Entertainment Group AS and its subsidiaries (excluding Nordic Gaming AS and Viking Services OÜ which are in liquidation) are going concerns.

29 August 2007



Armin Waru  
Chairman of the Management Board



Andri Avila  
Member of the Management Board



Mart Relve  
Member of the Management Board

## Consolidated interim balance sheet

### ASSETS

In thousands of Estonian kroons	Note	30 June 2007	31 December 2006
<b>Current assets</b>			
Cash and cash equivalents	2	597,215	1,234,658
Trade receivables		6,985	7,181
Other receivables and prepayments		64,184	41,902
Prepaid income tax		7,972	6,388
Inventories		23,407	10,507
<b>Total current assets</b>		<b>699,763</b>	<b>1,300,636</b>
<b>Non-current assets</b>			
Deferred tax assets		1,967	3,204
Other investments		18,243	18,311
Long-term receivables	3	10,450	42,554
Investment property	4	31,819	31,819
Property, plant and equipment	4	1,067,989	770,471
Intangible assets	5	548,618	142,206
<b>Total non-current assets</b>		<b>1,679,086</b>	<b>1,008,565</b>
<b>TOTAL ASSETS</b>		<b>2,378,849</b>	<b>2,309,201</b>

### LIABILITIES AND EQUITY

In thousands of Estonian kroons	Note	30 June 2007	31 December 2006
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	6	6,390	174
Customer advances		16,205	15,340
Trade payables		36,396	97,139
Income tax liability		18,477	20,304
Other tax liabilities		55,580	30,330
Other accrued payables		63,567	43,515
Provisions		8,978	16,213
<b>Total current liabilities</b>		<b>205,593</b>	<b>223,015</b>
<b>Non-current liabilities</b>			
Deferred tax liability		17,792	12,182
Interest-bearing loans and borrowings	6	19,220	991
<b>Total non-current liabilities</b>		<b>37,012</b>	<b>13,173</b>
<b>Total liabilities</b>		<b>242,605</b>	<b>236,188</b>
<b>EQUITY</b>			
Share capital	7	1,510,000	754,000
Share premium		227,273	968,800
Statutory capital reserve		19,444	4
Translation reserve		-1,228	-2,217
Retained earnings		327,845	315,308
Total equity attributable to equity holders of the parent		2,083,334	2,035,895
Minority interest		52,910	37,118
<b>Total equity</b>		<b>2,136,244</b>	<b>2,073,013</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,378,849</b>	<b>2,309,201</b>

## Consolidated interim balance sheet (continued)

### ASSETS

In thousands of euro	Note	30 June 2007	31 December 2006
<b>Current assets</b>			
Cash and cash equivalents	2	38,169	78,909
Trade receivables		446	459
Other receivables and prepayments		4,102	2,678
Prepaid income tax		509	408
Inventories		1,496	672
<b>Total current assets</b>		<b>44,723</b>	<b>83,126</b>
<b>Non-current assets</b>			
Deferred tax assets		126	205
Other investments		1,166	1,170
Long-term receivables	3	668	2,719
Investment property	4	2,034	2,034
Property, plant and equipment	4	68,257	49,242
Intangible assets	5	35,063	9,089
<b>Total non-current assets</b>		<b>107,313</b>	<b>64,459</b>
<b>TOTAL ASSETS</b>		<b>152,036</b>	<b>147,585</b>

### LIABILITIES AND EQUITY

In thousands of euro	Note	30 June 2007	31 December 2006
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	6	408	11
Customer advances		1,036	980
Trade payables		2,326	6,208
Income tax liability		1,181	1,297
Other tax liabilities		3,552	1,938
Other accrued payables		4,063	2,781
Provisions		574	1,036
<b>Total current liabilities</b>		<b>13,140</b>	<b>14,253</b>
<b>Non-current liabilities</b>			
Deferred tax liability		1,137	779
Interest-bearing loans and borrowings	6	1,228	63
<b>Total non-current liabilities</b>		<b>2,365</b>	<b>842</b>
<b>Total liabilities</b>		<b>15,505</b>	<b>15,095</b>
<b>EQUITY</b>			
Share capital	7	96,507	48,189
Share premium		14,525	61,918
Statutory capital reserve		1,243	0
Translation reserve		-79	-142
Retained earnings		20,953	20,152
Total equity attributable to equity holders of the parent		133,149	130,117
Minority interest		3,382	2,372
<b>Total equity</b>		<b>136,531</b>	<b>132,490</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>152,036</b>	<b>147,585</b>

## Consolidated interim income statement

In thousands of Estonian kroons	Note	Q2 2007	Q2 2006	I half 2007	I half 2006
<b>Revenue</b>					
Sales revenue		571,123	373,514	1,030,861	720,977
Other income		2,197	1,717	3,522	3,544
<b>Total revenue</b>		<b>573,320</b>	<b>375,231</b>	<b>1,034,383</b>	<b>724,521</b>
<b>Expenses</b>					
Cost of materials, goods and services used		-14,461	-11,804	-25,606	-22,302
Other operating expenses		-235,431	-136,779	-431,034	-261,231
Labour costs		-153,259	-93,918	-272,481	-173,333
Depreciation and amortisation expense	4; 5	-60,525	-32,274	-107,697	-61,763
Impairment of goodwill	5	0	-26,141	0	-26,141
Other expenses		-1,024	-1,514	-1,537	-1,822
<b>Total expenses</b>		<b>-464,700</b>	<b>-302,430</b>	<b>-838,355</b>	<b>-546,592</b>
<b>Operating profit</b>		<b>108,619</b>	<b>72,801</b>	<b>196,028</b>	<b>177,929</b>
<b>Financial income and expenses</b>					
Interest income		6,460	1,244	19,392	2,025
Interest expense		-10	-3,171	-14	-5,999
Foreign exchange gains and losses		454	-1,528	-2,938	-2,436
<b>Net financial items</b>		<b>6,904</b>	<b>-3,455</b>	<b>16,440</b>	<b>-6,410</b>
<b>Profit from operations</b>		<b>115,523</b>	<b>69,346</b>	<b>212,468</b>	<b>171,519</b>
Income tax expense		-9,168	-11,603	-23,433	-19,779
<b>NET PROFIT FOR THE PERIOD</b>		<b>106,356</b>	<b>57,743</b>	<b>189,035</b>	<b>151,740</b>
Attributable to minority interest		2,912	3,452	6,258	6,470
Attributable to equity holders of the parent		103,444	54,291	182,777	145,270
Basic earnings per share (kroons)	7	0.69	0.45	1.21	1.21
Diluted earnings per share (kroons)	7	0.69	0.45	1.21	1.21

### Consolidated interim income statement (continued)

In thousands of euro	Note	Q2 2007	Q2 2006	I half 2007	I half 2006
<b>Revenue</b>					
Sales revenue		36,501	23,872	65,884	46,079
Other income		140	110	225	226
<b>Total revenue</b>		<b>36,641</b>	<b>23,982</b>	<b>66,109</b>	<b>46,305</b>
<b>Expenses</b>					
Cost of materials, goods and services used		-924	-754	-1,637	-1,425
Other operating expenses		-15,047	-8,742	-27,548	-16,696
Labour costs		-9,795	-6,002	-17,415	-11,078
Depreciation and amortisation expense	4; 5	-3,868	-2,063	-6,883	-3,947
Impairment of goodwill	5	0	-1,671	0	-1,671
Other expenses		-65	-97	-98	-117
<b>Total expenses</b>		<b>-29,699</b>	<b>-19,329</b>	<b>-53,581</b>	<b>-34,934</b>
<b>Operating profit</b>		<b>6,942</b>	<b>4,653</b>	<b>12,529</b>	<b>11,372</b>
<b>Financial income and expenses</b>					
Interest income		413	79	1,239	129
Interest expense		-1	-203	-1	-383
Foreign exchange gains and losses		29	-97	-188	-156
<b>Net financial items</b>		<b>441</b>	<b>-221</b>	<b>1,050</b>	<b>-410</b>
<b>Profit from operations</b>		<b>7,383</b>	<b>4,432</b>	<b>13,579</b>	<b>10,962</b>
Income tax expense		-586	-742	-1,498	-1,264
<b>NET PROFIT FOR THE PERIOD</b>		<b>6,797</b>	<b>3,690</b>	<b>12,082</b>	<b>9,698</b>
Attributable to minority interest		186	221	400	414
Attributable to equity holders of the parent		6,611	3,470	11,682	9,284
Basic earnings per share (euro)	7	0.04	0.03	0.08	0.08
Diluted earnings per share (euro)	7	0.04	0.03	0.08	0.08

## Consolidated interim statement of cash flows

In thousands of Estonian kroons	Note	I half 2007	I half 2006
<b>Cash flows from operating activities</b>			
Net profit for the period		189,035	151,740
Adjustments for			
Depreciation and amortisation	4;5	107,697	61,763
Impairment losses on goodwill		0	26,141
Change in fair value of investment property		0	-1,185
Losses on disposal of property, plant and equipment		34	834
Net other financial income and expenses		-16,439	6,410
Change in receivables and prepayments		88,800	12,206
Change in inventories		-12,900	-7,017
Change in payables and advances received		-112,215	307
Interest paid		-14	-5,789
Corporate income tax paid		-11,207	-12,409
<b>Net cash from operating activities</b>		<b>232,791</b>	<b>233,000</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and intangibles		-266,407	-166,372
Proceeds from sale of property, plant and equipment		544	0
Acquisition of investment property		0	-25,417
Proceeds from sale of other investments		0	13,916
Acquisition of subsidiaries, net of cash acquired		-392,609	0
Loans given		-77,685	0
Repayment of loans given		2	250
Interest received		17,125	1,166
<b>Net cash used in investing activities</b>		<b>-719,030</b>	<b>-176,457</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	7	2,000	0
Proceeds from loans received		0	226,876
Repayment of loans received		0	-227,751
Payment of finance lease principal	6	-99	-137
Dividends paid		-150,800	-20,000
<b>Net cash used in financing activities</b>		<b>-148,899</b>	<b>-21,012</b>
<b>NET CASH FLOWS</b>		<b>-635,138</b>	<b>35,531</b>
<b>Decrease / increase in cash and cash equivalents</b>		<b>-635,138</b>	<b>35,531</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>1,234,658</b>	<b>184,564</b>
Effect of exchange rate fluctuations		-2,305	-1,332
<b>Cash and cash equivalents at end of period</b>		<b>597,215</b>	<b>218,762</b>

## Consolidated interim statement of cash flows (continued)

In thousands of euro	Note	I half 2007	I half 2006
<b>Cash flows from operating activities</b>			
Net profit for the period		12,082	9,698
Adjustments for			
Depreciation and amortisation	4; 5	6,883	3,947
Impairment losses on goodwill		0	1,671
Change in fair value of investment property		0	-76
Losses on disposal of property, plant and equipment		2	53
Net other financial income and expenses		-1,051	410
Change in receivables and prepayments		5,675	780
Change in inventories		-824	-448
Change in payables and advances received		-7,172	20
Interest paid		-1	-370
Corporate income tax paid		-716	-793
<b>Net cash from operating activities</b>		<b>14,878</b>	<b>14,891</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and intangibles		-17,027	-10,633
Proceeds from sale of property, plant and equipment		35	0
Acquisition of investment property		0	-1,624
Proceeds from sale of other investments		0	889
Acquisition of subsidiaries, net of cash acquired		-25,092	0
Loans given		-4,965	0
Repayment of loans given		0	16
Interest received		1,095	75
<b>Net cash used in investing activities</b>		<b>-45,954</b>	<b>-11,278</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	7	128	0
Proceeds from loans received		0	14,500
Repayment of loans received		0	-14,556
Payment of finance lease principal	6	-6	-9
Dividends paid		-9,638	-1,278
<b>Net cash used in financing activities</b>		<b>-9,516</b>	<b>-1,343</b>
<b>NET CASH FLOWS</b>		<b>-40,593</b>	<b>2,271</b>
<b>Decrease / increase in cash and cash equivalents</b>		<b>-40,593</b>	<b>2,271</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>78,909</b>	<b>11,796</b>
Effect of exchange rate fluctuations		-147	-85
<b>Cash and cash equivalents at end of period</b>		<b>38,169</b>	<b>13,981</b>

## Consolidated interim statement of changes in equity

In thousands of Estonian kroons

	Note	Equity attributable to equity holders of the parent					Minority interest	Total
		Share capital	Share premium	Statutory capital reserve	Translation reserve	Retained earnings		
<b>At 31 December 2005</b>		<b>40</b>	<b>25,598</b>	<b>4</b>	<b>2,074</b>	<b>546,469</b>	<b>574,185</b>	<b>595,839</b>
Net profit for the period		0	0	0	0	145,270	145,270	151,740
Effect of changes in exchange rates		0	0	0	-2,597	0	0	-2,597
<b>Total recognised income and expense</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,597</b>	<b>145,270</b>	<b>142,673</b>	<b>149,143</b>
Bonus issue		360	0	0	0	-360	0	0
Dividend distribution		0	0	0	0	-20,000	0	-20,000
<b>At 30 June 2006</b>		<b>400</b>	<b>25,598</b>	<b>4</b>	<b>-523</b>	<b>671,379</b>	<b>696,858</b>	<b>724,982</b>
<b>At 31 December 2006</b>		<b>754,000</b>	<b>968,800</b>	<b>4</b>	<b>-2,217</b>	<b>315,308</b>	<b>2,035,895</b>	<b>2,073,013</b>
Net profit for the period		0	0	0	0	182,777	182,777	189,035
Effect of changes in exchange rates		0	0	0	989	0	0	989
<b>Total recognised income and expense</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>989</b>	<b>182,777</b>	<b>183,766</b>	<b>190,024</b>
Bonus issue	7	754,000	-754,000	0	0	0	0	0
Transfer to capital reserve		0	0	19,440	0	-19,440	0	0
Dividend distribution	7	0	0	0	0	-150,800	0	-150,800
Issue of share capital	7	2,000	12,473	0	0	0	0	14,473
Acquired through business combinations		0	0	0	0	0	9,534	9,534
<b>At 30 June 2007</b>		<b>1,510,000</b>	<b>227,273</b>	<b>19,444</b>	<b>-1,228</b>	<b>327,845</b>	<b>2,083,334</b>	<b>2,136,244</b>

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

In thousands of euro

Note	Equity attributable to equity holders of the parent					Total	Minority interest	Total
	Share capital	Share premium	Statutory capital reserve	Translation reserve	Retained earnings			
<b>At 31 December 2005</b>	<b>3</b>	<b>1,636</b>	<b>0</b>	<b>133</b>	<b>34,926</b>	<b>36,698</b>	<b>1,384</b>	<b>38,081</b>
Net profit for the period	0	0	0	0	9,284	9,284	414	9,698
Effect of changes in exchange rates	0	0	0	-166	0	-166	0	-166
<b>Total recognised income and expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-166</b>	<b>9,284</b>	<b>9,118</b>	<b>414</b>	<b>9,532</b>
Bonus issue	23	0	0	0	-23	0	0	0
Dividend distribution	0	0	0	0	-1,278	-1,278	0	-1,278
<b>At 30 June 2006</b>	<b>26</b>	<b>1,636</b>	<b>0</b>	<b>-33</b>	<b>42,909</b>	<b>44,538</b>	<b>1,798</b>	<b>46,335</b>
<b>At 31 December 2006</b>	<b>48,189</b>	<b>61,918</b>	<b>0</b>	<b>-142</b>	<b>20,152</b>	<b>130,117</b>	<b>2,372</b>	<b>132,490</b>
Net profit for the period	0	0	0	0	11,682	11,682	400	12,082
Effect of changes in exchange rates	0	0	0	63	0	63	0	63
<b>Total recognised income and expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63</b>	<b>11,682</b>	<b>11,745</b>	<b>400</b>	<b>12,145</b>
Bonus issue	7	48,189	-48,189	0	0	0	0	0
Transfer to capital reserve		0	0	1,242	0	-1,242	0	0
Dividend distribution	7	0	0	0	0	-9,638	0	-9,638
Issue of share capital	7	128	797	0	0	0	0	925
Acquired through business combinations		0	0	0	0	0	609	609
<b>At 30 June 2007</b>	<b>96,507</b>	<b>14,525</b>	<b>1,243</b>	<b>-79</b>	<b>20,953</b>	<b>133,149</b>	<b>3,382</b>	<b>136,531</b>

## Notes to the consolidated interim financial statements

### Note 1. Summary of significant accounting policies

Olympic Entertainment Group AS (the “Company”) is a company registered in Estonia on 15 November 1999. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the “Group”).

The complete consolidated financial statements of the Group as at and for the year ended 31 December 2006 are available upon request from the Company’s registered office at Pronksi 19, Tallinn and at the company’s website at [www.olympic-casino.com](http://www.olympic-casino.com).

#### Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2006.

These condensed consolidated interim financial statements were approved by the management board on 29 August 2007.

#### Basis of preparation

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2006.

The Company’s functional and presentation currency is the Estonian kroon (EEK). In these financial statements and notes to the financial statements, all figures are presented both in thousands of Estonian kroons and in thousands of euro (€), rounded to the nearest thousand. The data has been translated from Estonian kroons to euro using the Eesti Pank (Bank of Estonia) exchange rate of 15.6466 Estonian kroons to 1 euro.

#### Use of estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those which applied to the consolidated financial statements as at and for the year ended 31 December 2006.

## Note 2. Cash and cash equivalents

In thousands of Estonian kroons	30 June 2007	31 December 2006
Cash in hand and at gaming halls	61,540	46,174
Call deposits	124,526	336,803
Term deposits	398,574	730,494
Cash in transit	12,575	14,338
Fund units	0	106,849
<b>Total</b>	<b>597,215</b>	<b>1,234,658</b>

In thousands of euro	30 June 2007	31 December 2006
Cash in hand and at gaming halls	3,933	2,951
Call deposits	7,959	21,526
Term deposits	25,474	46,687
Cash in transit	804	916
Fund units	0	6,829
<b>Total</b>	<b>38,169</b>	<b>78,909</b>

At 30 June 2007, term deposits included non-cancellable deposits of 29,233,000 kroons (€1,868,000) of which deposits placed as security for rented premises made up 18,233,000 kroons (€1,165,000) and other guarantees totalled 11,000,000 kroons (€703,000).

The proportion of cash and cash equivalents in the Group's assets has declined due to the acquisition of subsidiaries, investment and distribution of dividends.

## Note 3. Long-term receivables

In thousands of Estonian kroons	30 June 2007	31 December 2006
Long-term loans	0	10,953
Long-term lease advances	10,450	4,218
Prepayments for shares in Casino Polonia	0	27,383
<b>Total</b>	<b>10,450</b>	<b>42,554</b>

In thousands of euro	30 June 2007	31 December 2006
Long-term loans	0	700
Long-term lease advances	668	269
Prepayments for shares in Casino Polonia	0	1,750
<b>Total</b>	<b>668</b>	<b>2,719</b>

In connection with the acquisition of Casino Polonia-Wroclaw Sp. Z.o.o. in April, long-term loans have been reclassified to receivables from group companies and prepayments for shares in Casino Polonia have been transferred to the cost of investments in subsidiaries.

#### Note 4. Investment property and property, plant and equipment

In thousands of Estonian kroons	Investment property	Property, plant and equipment	Total
<b>At 31 December 2006</b>	<b>31,819</b>	<b>770,471</b>	<b>802,290</b>
Additions	0	262,022	262,022
Acquisitions through business combinations	0	140,847	140,847
Disposals	0	-2,013	-2,013
Depreciation for the period	0	-104,490	-104,490
Accumulated depreciation on disposals	0	1,619	1,619
Effect of movements in exchange rates	0	-467	-467
<b>At 30 June 2007</b>	<b>31,819</b>	<b>1,067,989</b>	<b>1,099,808</b>

In thousands of euro	Investment property	Property, plant and equipment	Total
<b>At 31 December 2006</b>	<b>2,034</b>	<b>49,242</b>	<b>51,276</b>
Additions	0	16,746	16,746
Acquisitions through business combinations	0	9,002	9,002
Disposals	0	-129	-129
Depreciation for the period	0	-6,678	-6,678
Accumulated depreciation on disposals	0	103	103
Effect of movements in exchange rates	0	-30	-30
<b>At 30 June 2007</b>	<b>2,034</b>	<b>68,257</b>	<b>70,291</b>

#### Note 5. Intangible assets

In thousands of Estonian kroons	Goodwill	Other intangible assets	Total
<b>At 31 December 2006</b>	<b>124,486</b>	<b>17,720</b>	<b>142,206</b>
Additions	0	1,595	1,595
Acquisitions through business combinations	386,621	21,787	408,408
Disposals	-347	0	-347
Amortisation for the period	0	-3,207	-3,207
Effect of movements in exchange rates	0	-37	-37
<b>At 30 June 2007</b>	<b>510,760</b>	<b>37,858</b>	<b>548,618</b>

In thousands of euro	Goodwill	Other intangible assets	Total
<b>At 31 December 2006</b>	<b>7,956</b>	<b>1,133</b>	<b>9,089</b>
Additions	0	102	102
Acquisitions through business combinations	24,710	1,392	26,102
Disposals	-22	0	-22
Amortisation for the period	0	-205	-205
Effect of movements in exchange rates	0	-2	-2
<b>At 30 June 2007</b>	<b>32,644</b>	<b>2,420</b>	<b>35,063</b>

In the first half of 2007, goodwill decreased by 347,000 kroons (€22,000) in connection with the determination of the final purchase price of BG companies. In the first half of 2006, the Group wrote off goodwill of 26,141,000 kroons (€1,671,000) in connection of the commencement of the liquidation of Nordic Gaming AS and Vikings Services OÜ.

## Note 6. Finance lease liabilities

In thousands of Estonian kroons	30 June 2007	31 December 2006
Finance lease liabilities at beginning of period	193	596
Principal payments made	-99	-403
Addition to finance lease liabilities	25,516	0
Finance lease liabilities at end of period	25,610	193
Current portion	6,390	174
Non-current portion (payable in up to 4 years)	19,220	19

In thousands of euro	30 June 2007	31 December 2006
Finance lease liabilities at beginning of period	12	38
Principal payments made	-6	-26
Addition to finance lease liabilities	1,631	0
Finance lease liabilities at end of period	1,637	12
Current portion	408	11
Non-current portion (payable in up to 4 years)	1,228	1

The Latvian subsidiary has acquired gaming equipment with finance lease. The lease term is 4 years, the annual interest rate of the lease is 5.94% and the base currency is euro.

## Note 7. Equity

On 25 April 2007, the ordinary general meeting of the Company's shareholders decided to arrange a bonus issue and to increase the Company's share capital by 754,000,000 kroons (€48,189,000) using equity (ie. without making additional contributions). The meeting decided that share capital would be increased using share premium based on the consolidated financial statements for the year ended 31 December 2006.

On 30 May 2007 the supervisory board of Olympic Entertainment Group AS, exercising the powers arising from the Articles of Association, adopted a resolution on the increase of the Company's share capital. In accordance with the resolution, share capital was to be increased by 2,000,000 kroons (€128,000). Based on a decision of the general meeting, the shareholders of the Company were not have any pre-emptive rights to the 200,000 ordinary shares which were to be issued to satisfy the terms of the share purchase agreement concluded with AS KC Grupp on 1 March 2007.

After the above transactions, the share capital of Olympic Entertainment Group AS amounts to 1,510,000,000 kroons (€96,507,000).

On 25 April 2007, the shareholders' general meeting decided to distribute dividends of 2 kroons (€0.13) per share, i.e. 150,800,000 kroons (€9,638,000) in aggregate. The dividends were paid out in May 2007.

Basic earnings per share are calculated by dividing profit for the period by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by dividing profit for the period by the weighted average number of shares outstanding during the period, both adjusted for the effects of all dilutive potential equity instruments.

Basic earnings per share for the second quarter and first half of 2006 have been found by dividing the profit for the period by 150,800,000 shares. Basic earnings for the second quarter and first half of 2007 have been calculated by dividing the profit for the period by the weighted average number of shares. In calculating the weighted average number of shares, the number of shares for the period January - May was 150,800,000 and the number of shares for June was 151,000,000.

In accordance with IAS 33, in calculating diluted earnings per share the Group has not taken into account the option agreements concluded with members of the management board of Olympic Entertainment Group AS and the Group's key persons. The exact number of the shares that may be subscribed by a member of the management board or a key person will depend on the attainment of the Group's financial targets and the individual performance of the member of the management board or the key person.

**Olympic Entertainment Group AS**

**Unaudited consolidated interim financial statements for the 1<sup>st</sup> half and 2<sup>nd</sup> quarter of 2007**

	<b>Q2 2007</b>	<b>Q2 2006</b>	<b>I half 2007</b>	<b>I half 2006</b>
Profit for the period (in thousands of Estonian kroons)	103,444	54,291	182,777	145,270
Weighted average number of shares outstanding (in thousands)	150,866	120,000	150,833	120,000
<b>Basic earnings per share (in kroons)</b>	<b>0.69</b>	<b>0.45</b>	<b>1.21</b>	<b>1.21</b>
<b>Diluted earnings per share (in kroons)</b>	<b>0.69</b>	<b>0.45</b>	<b>1.21</b>	<b>1.21</b>

	<b>Q2 2007</b>	<b>Q2 2006</b>	<b>I half 2007</b>	<b>I half 2006</b>
Profit for the period (in thousands of euro)	6,611	3,470	11,682	9,284
Weighted average number of shares outstanding (in thousands)	150,866	120,000	150,833	120,000
<b>Basic earnings per share (in euro)</b>	<b>0.04</b>	<b>0.03</b>	<b>0.08</b>	<b>0.08</b>
<b>Diluted earnings per share (in euro)</b>	<b>0.04</b>	<b>0.03</b>	<b>0.08</b>	<b>0.08</b>

## **Note 8. Segment reporting**

The Group's primary segment reporting format is geographical segments which are based on the customers' geographical location. The Group's secondary segments are business segments, which comprise gaming services and other services (hotel services, bar services and other). Inter-segment pricing is determined on an arm's length basis.

Olympic Entertainment Group AS  
Unaudited consolidated interim financial statements for the 1<sup>st</sup> half and 2<sup>nd</sup> quarter of 2007

**Geographical segments**

In thousands of Estonian kroons	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006
Sales revenue from external customers	225,412	149,853	159,951	111,311	104,611	90,754	37,257	21,596	2,067	0	40,600	0	1,224	0	0	0	0	0	571,123	373,514
Other external income	1,270	1,289	599	-259	207	688	0	-1	0	0	121	0	0	0	0	0	0	0	2,197	1,717
Inter-segment sales revenue and other income	4,039	2,009	49	0	157	99	0	0	0	0	0	0	0	0	0	0	-4,244	-2,108	0	0
<b>Total revenue</b>	<b>230,720</b>	<b>153,151</b>	<b>160,599</b>	<b>111,052</b>	<b>104,975</b>	<b>91,542</b>	<b>37,257</b>	<b>21,595</b>	<b>2,067</b>	<b>0</b>	<b>40,721</b>	<b>0</b>	<b>1,224</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4,244</b>	<b>-2,108</b>	<b>573,320</b>	<b>375,231</b>
External expenses	-161,933	-120,182	-142,633	-91,407	-72,772	-72,678	-31,085	-16,855	-6,687	-1,308	-43,899	0	-5,683	0	-8	0	0	0	-464,700	-302,430
Inter-segment expenses	-49	-109	-905	-779	-822	-560	-543	-731	-180	-2	-1,549	0	-189	0	0	0	4,237	2,180	0	0
<b>Total expenses</b>	<b>-161,981</b>	<b>-120,291</b>	<b>-143,538</b>	<b>-92,186</b>	<b>-73,595</b>	<b>-73,238</b>	<b>-31,628</b>	<b>-17,586</b>	<b>-6,867</b>	<b>-1,310</b>	<b>-45,448</b>	<b>0</b>	<b>-5,873</b>	<b>0</b>	<b>-8</b>	<b>0</b>	<b>4,237</b>	<b>2,180</b>	<b>-464,700</b>	<b>-302,430</b>
<b>Operating profit</b>	<b>68,739</b>	<b>32,860</b>	<b>17,060</b>	<b>18,866</b>	<b>31,381</b>	<b>18,304</b>	<b>5,629</b>	<b>4,009</b>	<b>-4,800</b>	<b>-1,310</b>	<b>-4,726</b>	<b>0</b>	<b>-4,648</b>	<b>0</b>	<b>-8</b>	<b>0</b>	<b>-7</b>	<b>72</b>	<b>108,619</b>	<b>72,801</b>
Net financial items																			6,904	-3,455
Income tax expense																			-9,168	-11,603
<b>Net profit for the period</b>																			<b>106,356</b>	<b>57,743</b>
In thousands of Estonian kroons	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006
Sales revenue from external customers	401,151	288,091	315,166	215,873	200,013	179,073	69,138	37,939	3,569	0	40,600	0	1,224	0	0	0	0	0	1,030,861	720,977
Other external income	1,836	2,278	1,231	546	321	688	12	33	0	0	121	0	0	0	0	0	0	0	3,522	3,544
Inter-segment sales revenue and other income	6,079	8,877	129	0	169	99	0	0	0	0	0	0	0	0	0	0	-6,377	-8,976	0	0
<b>Total revenue</b>	<b>409,067</b>	<b>299,246</b>	<b>316,526</b>	<b>216,419</b>	<b>200,503</b>	<b>179,860</b>	<b>69,150</b>	<b>37,972</b>	<b>3,569</b>	<b>0</b>	<b>40,721</b>	<b>0</b>	<b>1,224</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-6,377</b>	<b>-8,976</b>	<b>1,034,383</b>	<b>724,521</b>
External expenses	-302,763	-212,671	-266,671	-168,450	-147,839	-133,614	-58,108	-30,550	-12,862	-1,308	-44,419	0	-5,683	0	-8	0	0	0	-838,354	-546,592
Inter-segment expenses	-99	-6,664	-1,708	-2,069	-1,592	-1,794	-941	-731	-292	-2	-1,549	0	-189	0	0	0	6,370	11,259	0	0
<b>Total expenses</b>	<b>-302,862</b>	<b>-219,334</b>	<b>-268,380</b>	<b>-170,518</b>	<b>-149,432</b>	<b>-135,408</b>	<b>-59,049</b>	<b>-31,281</b>	<b>-13,154</b>	<b>-1,310</b>	<b>-45,968</b>	<b>0</b>	<b>-5,873</b>	<b>0</b>	<b>-8</b>	<b>0</b>	<b>6,370</b>	<b>11,259</b>	<b>-838,354</b>	<b>-546,592</b>
<b>Operating profit</b>	<b>106,204</b>	<b>79,912</b>	<b>48,146</b>	<b>45,901</b>	<b>51,072</b>	<b>44,452</b>	<b>10,102</b>	<b>6,691</b>	<b>-9,586</b>	<b>-1,310</b>	<b>-5,246</b>	<b>0</b>	<b>-4,648</b>	<b>0</b>	<b>-8</b>	<b>0</b>	<b>-7</b>	<b>2,283</b>	<b>196,028</b>	<b>177,929</b>
Net financial items																			16,439	-6,410
Income tax expense																			-23,433	-19,779
<b>Net profit for the period</b>																			<b>189,035</b>	<b>151,740</b>

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**Geographical segments**

In thousands of euro

	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006
Sales revenue from external customers	14,406	9,577	10,223	7,114	6,686	5,800	2,381	1,380	132	0	2,595	0	78	0	0	0	0	0	36,501	23,872
Other external income	81	82	38	-17	13	44	0	0	0	0	8	0	0	0	0	0	0	0	140	110
Inter-segment sales revenue and other income	258	128	3	0	10	6	0	0	0	0	0	0	0	0	0	0	-271	-135	0	0
<b>Total revenue</b>	<b>14,746</b>	<b>9,788</b>	<b>10,264</b>	<b>7,098</b>	<b>6,709</b>	<b>5,851</b>	<b>2,381</b>	<b>1,380</b>	<b>132</b>	<b>0</b>	<b>2,603</b>	<b>0</b>	<b>78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-271</b>	<b>-135</b>	<b>36,642</b>	<b>23,982</b>
External expenses	-10,349	-7,681	-9,116	-5,842	-4,651	-4,645	-1,987	-1,077	-427	-84	-2,806	0	-363	0	-1	0	0	0	-29,700	-19,329
Inter-segment expenses	-3	-7	-58	-50	-53	-36	-35	-47	-12	0	-99	0	-12	0	0	0	271	139	0	0
<b>Total expenses</b>	<b>-10,353</b>	<b>-7,688</b>	<b>-9,174</b>	<b>-5,892</b>	<b>-4,704</b>	<b>-4,681</b>	<b>-2,021</b>	<b>-1,124</b>	<b>-439</b>	<b>-84</b>	<b>-2,905</b>	<b>0</b>	<b>-375</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>271</b>	<b>139</b>	<b>-29,700</b>	<b>-19,329</b>
<b>Operating profit</b>	<b>4,393</b>	<b>2,100</b>	<b>1,090</b>	<b>1,206</b>	<b>2,006</b>	<b>1,170</b>	<b>360</b>	<b>256</b>	<b>-307</b>	<b>-84</b>	<b>-302</b>	<b>0</b>	<b>-297</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>6,942</b>	<b>4,653</b>
Net financial items																			441	-221
Income tax expense																			-586	-742
<b>Net profit for the period</b>																			<b>6,797</b>	<b>3,690</b>

In thousands of euro

	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006
customers	25,638	18,412	20,143	13,797	12,783	11,445	4,419	2,425	228	0	2,595	0	78	0	0	0	0	0	65,884	46,079
Other external income	117	146	79	35	21	44	1	2	0	0	8	0	0	0	0	0	0	0	225	227
Inter-segment sales revenue and other income	389	567	8	0	11	6	0	0	0	0	0	0	0	0	0	0	-408	-574	0	0
<b>Total revenue</b>	<b>26,144</b>	<b>19,125</b>	<b>20,230</b>	<b>13,832</b>	<b>12,814</b>	<b>11,495</b>	<b>4,420</b>	<b>2,427</b>	<b>228</b>	<b>0</b>	<b>2,603</b>	<b>0</b>	<b>78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-408</b>	<b>-574</b>	<b>66,109</b>	<b>46,305</b>
External expenses	-19,350	-13,592	-17,043	-10,766	-9,449	-8,539	-3,714	-1,952	-822	-84	-2,839	0	-363	0	-1	0	0	0	-53,581	-34,934
Inter-segment expenses	-6	-426	-109	-132	-102	-115	-60	-47	-19	0	-99	0	-12	0	0	0	407	720	0	0
<b>Total expenses</b>	<b>-19,356</b>	<b>-14,018</b>	<b>-17,153</b>	<b>-10,898</b>	<b>-9,550</b>	<b>-8,654</b>	<b>-3,774</b>	<b>-1,999</b>	<b>-841</b>	<b>-84</b>	<b>-2,938</b>	<b>0</b>	<b>-375</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>407</b>	<b>720</b>	<b>-53,581</b>	<b>-34,934</b>
<b>Operating profit</b>	<b>6,788</b>	<b>5,107</b>	<b>3,077</b>	<b>2,934</b>	<b>3,264</b>	<b>2,841</b>	<b>646</b>	<b>428</b>	<b>-613</b>	<b>-84</b>	<b>-335</b>	<b>0</b>	<b>-297</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>146</b>	<b>12,529</b>	<b>11,372</b>
Net financial items																			1,051	-410
Income tax expense																			-1,498	-1,264
<b>Net profit for the period</b>																			<b>12,082</b>	<b>9,698</b>

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**Business segments**

In thousands of Estonian kroons

	Gaming services		Other services		Eliminations		Consolidated	
	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006
Sales revenue from external customers	538,605	348,264	32,518	25,251	0	0	571,123	373,514
Other external income	1,063	-284	1,134	2,001	0	0	2,197	1,717
Inter-segment sales revenue and other income	869	1,165	18,075	13,309	-18,945	-14,474	0	0
<b>Total revenue</b>	<b>540,537</b>	<b>349,145</b>	<b>51,728</b>	<b>40,560</b>	<b>-18,945</b>	<b>-14,474</b>	<b>573,320</b>	<b>375,231</b>

In thousands of Estonian kroons

	Gaming services		Other services		Eliminations		Consolidated	
	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006
Sales revenue from external customers	975,641	676,807	55,220	44,169	0	0	1,030,861	720,977
Other external income	1,856	609	1,666	2,935	0	0	3,522	3,544
Inter-segment sales revenue and other income	1,665	18,957	32,768	30,609	-34,433	-49,566	0	0
<b>Total revenue</b>	<b>979,162</b>	<b>696,374</b>	<b>89,654</b>	<b>77,714</b>	<b>-34,433</b>	<b>-49,566</b>	<b>1,034,383</b>	<b>724,521</b>

**Business segments**

In thousands of euro

	Gaming services		Other services		Eliminations		Consolidated	
	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006	Q2 2007	Q2 2006
Sales revenue from external customers	34,423	22,258	2,078	1,614	0	0	36,501	23,872
Other external income	68	-18	72	128	0	0	140	110
Inter-segment sales revenue and other income	56	74	1,155	851	-1,211	-925	0	0
<b>Total revenue</b>	<b>34,547</b>	<b>22,314</b>	<b>3,306</b>	<b>2,592</b>	<b>-1,211</b>	<b>-925</b>	<b>36,642</b>	<b>23,982</b>

In thousands of euro

	Gaming services		Other services		Eliminations		Consolidated	
	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006	6m 2007	6m 2006
Sales revenue from external customers	62,355	43,256	3,529	2,823	0	0	65,884	46,079
Other external income	119	39	106	188	0	0	225	227
Inter-segment sales revenue and other income	106	1,212	2,094	1,956	-2,201	-3,168	0	0
<b>Total revenue</b>	<b>62,580</b>	<b>44,506</b>	<b>5,730</b>	<b>4,967</b>	<b>-2,201</b>	<b>-3,168</b>	<b>66,109</b>	<b>46,305</b>

## Note 9. Subsidiaries

	Domicile	Ownership interest		Core activity	Shareholder
		30 June 2007	31 December 2006		
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services	OEG
Nordic Gaming AS	Estonia	100%	100%	In liquidation	OEG
Kungla Investeeringu AS	Estonia	100%	100%	Hotel services, catering	OEG
Vikings Services OÜ	Estonia	100%	100%	In liquidation	Nordic Gaming
Fortuna Travel OÜ	Estonia	100%	100%	Casino tourism	Olympic Casino Eesti
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions	OEG
Jokker-Pokker OÜ	Estonia	100%	0%	Bar services	Olympic Casino Eesti
Casinova OÜ	Estonia	100%	0%	Trademark holding	Olympic Casino Eesti
Olympic Casino Latvia SIA	Latvia	36.5%	30.04%	Gaming services	OEG
Olympic Casino Latvia SIA	Latvia	63.5%	52.26%	Gaming services	Olympic Casino Group Baltic
Olympic Casino Latvia SIA	Latvia	0%	17.7%	Gaming services	Baltic Gaming
Baltic Gaming A/S	Latvia	0%	100%	Gaming services	OEG
Ahti SIA	Latvia	100%	100%	Bar services	OEG
Faraons SIA	Latvia	100%	100%	Bar services	OEG
Baltic Electronics SIA	Latvia	25%	25%	Production of electronic equipment	Olympic Casino Latvia
Olympic Casino Group Baltic SIA	Latvia	100%	100%	Holding activities	OEG
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Gaming services	OEG
Mecom Grupp UAB	Lithuania	100%	100%	Bar services	OEG
Olympic Casino Bel IP	Belarus	100%	100%	Gaming services	OEG
Olympic Casino Ukraine TOV	Ukraine	100%	100%	Gaming services	OEG
Silber Investments Sp. Z o.o.	Poland	100%	100%	Holding activities	OEG
Baina Investments Sp. Z o.o.	Poland	100%	100%	Holding activities	OEG
Casino-Polonia Wroclaw Sp.Z.o.o.	Poland	33.33%	0%	Gaming services	OEG
Casino-Polonia Wroclaw Sp.Z.o.o.	Poland	33.33%	0%	Gaming services	Silber Investments
Casino-Polonia Wroclaw Sp.Z.o.o.	Poland	13.33%	0%	Gaming services	Baina Investments
Olympic Casino Bucharest S.r.l.	Romania	100%	0%	Gaming services	OEG
Olympic Entertainment Slovakia	Slovakia	100%	0%	Gaming services	OEG

In March 2007, Olympic Entertainment Group AS (OEG) established a subsidiary Olympic Casino Bucharest S.r.l. in Romania and in April a subsidiary Olympic Entertainment Slovakia S.k.k. in Slovakia. In the second quarter, the subsidiaries Olympic Casino Latvia SIA and Baltic Gaming AS merged. The balance sheet date of the merger was 1 May and the merger was entered in the Company Register on 5 July.

On 9 April, OEG completed the purchase of Kristiine Kasiino AS (including Jokker Pokker OÜ) (KK) and Casinova OÜ (Casinova). The entities were acquired to expand the Group's operations and to consolidate its position in the Estonian gaming market.

On 18 April, OEG transferred the interest acquired in KK to another group company Olympic Casino Eesti AS (OCE). As a result of the transaction, the Group's interest in KK's net assets declined to 95%. The transaction was performed to integrate KK and Casinova into the Group's operations and structure. In Estonia, the Group's casino operations are handled by OCE, therefore KK's and Casinova's shares were transferred to OCE.

On 20 April 2007, OCE and KK concluded a merger agreement under which KK was to merge with OCE. The balance sheet date of the merger was 1 May 2007. As a result of the merger KK was dissolved without liquidation proceedings and all its property including rights and obligations was transferred to OCE. The objective of the merger was to streamline the administration of the entities, to minimise their costs and to improve their operating efficiency. The merger was entered in the Commercial Register on 18 July 2007.

The final cost of KK and Casinova including working capital (cash and bank balances) amounted to 300,381,000 kroons. (€19,198,000) OEG paid 285,908,000 kroons (€18,273,000) of this in cash and the remaining 14,473,000 kroons (€925,000) was settled with 200,000 freely transferable ordinary shares in OEG which were listed on Tallinn Stock Exchange. The value of a share was measured based on the closing

price of the share at Tallinn Stock Exchange on the last business day preceding the signature of the agreement between OEG and KC Grupp, i.e. 9.25 euro translated to Estonian kroons at the exchange rate of 15.6466 kroons to 1 euro.

The effect of the acquisition of KK and Casinova on the Group's assets and liabilities was the following:

	Pre-acquisition carrying amount	Fair value	Pre-acquisition carrying amount	Fair value
	In thousands of Estonian kroons		In thousands of euro	
Cash and bank balances	49,458	49,458	3,161	3,161
Receivables and prepayments	2,307	2,307	147	147
Inventories	1,000	1,000	64	64
Non-current financial investments	441	441	28	28
Property, plant and equipment	38,013	38,013	2,429	2,429
Intangible assets	0	21,514	0	1,375
Liabilities	12,402	12,402	793	2,168
<b>Net assets</b>	<b>78,817</b>	<b>100,331</b>	<b>5,037</b>	<b>6,412</b>
Ownership interest acquired		95%		95%
Net assets acquired		95,315		6,091
Goodwill on acquisition		205,066		13,106
<b>Purchase price</b>		<b>300,381</b>		<b>19,198</b>
Cash and bank balances acquired		49,458		3,161
Consideration paid, satisfied in cash		-287,908		-18,401
<b>Net cash outflow</b>		<b>-238,450</b>		<b>-15,240</b>
Settled with shares in OEG		-12,473		-797

On 12 April, Olympic Casino Bucharest S.r.l. signed an agreement on the acquisition of the assets of the Romanian casino operator Empire International Game World. Under the agreement, Olympic Casino Bucharest S.r.l. acquired three casinos in the Romanian capital Bucharest. The contractual purchase price was 3,850,000 euros (60,239,000 kroons) payable in Romanian leus. Consequently, the ultimate purchase was affected by the Romanian leu - euro exchange rate.

The effect of the acquisition of the assets of Empire International Game World on the Group's assets and liabilities was the following:

	Pre-acquisition carrying amount	Fair value	Pre-acquisition carrying amount	Fair value
	In thousands of Estonian kroons		In thousands of euro	
Property, plant and equipment	4,560	4,560	291	291
<b>Net assets</b>	<b>4,560</b>	<b>4,560</b>	<b>291</b>	<b>291</b>
Ownership interest acquired		100%		100%
Net assets acquired		4,560		291
Goodwill on acquisition		57,778		3,693
<b>Purchase price</b>		<b>62,338</b>		<b>3,984</b>
Consideration paid, satisfied in cash		-54,515		-3,484
<b>Net cash outflow</b>		<b>-54,515</b>		<b>-3,484</b>
Payable		-7,823		-500

On 27 April, OEG completed the acquisition of 80% of the shares in Casino Polonia Wroclaw Sp. Z.o.o. The share capital of Casino Polonia amounts to 4,928,000 Polish zloty (20,356,000 kroons or 1,301,000 euro). Together with associated transaction costs, the 80% stake cost 141,848,000 kroons (€9,066,000).

The effect of the acquisition of Casino Polonia on the Group's assets and liabilities was the following:

	Pre-acquisition carrying amount In thousands of Estonian kroons	Fair value	Pre-acquisition carrying amount In thousands of euro	Fair value
Cash and bank balances	14,819	14,819	947	947
Receivables and prepayments	21,745	21,745	1,373	1,373
Inventories	452	452	29	29
Non-current financial investments	752	752	48	48
Property, plant and equipment	98,275	98,275	6,281	6,281
Intangible assets	273	273	17	17
Liabilities	113,457	113,457	7,251	7,251
<b>Net assets</b>	<b>22,859</b>	<b>22,859</b>	<b>1,444</b>	<b>1,444</b>
Ownership interest acquired		80%		80%
Net assets acquired		18,071		1,155
Goodwill on acquisition		123,777		7,911
<b>Purchase price</b>		<b>141,848</b>		<b>9,066</b>
Cash and bank balances acquired		14,819		947
Consideration paid, satisfied in cash		-141,848		-9,066
<b>Net cash outflow</b>		<b>-127,029</b>		<b>-8,119</b>
Including paid in the preceding financial year		-27,385		-1,750

The effect of the business combinations on the Group's results of operation was the following:

	<b>I half 2007</b>	
	In thousands of Estonian kroons	In thousands of euro
Acquired subsidiaries' profit / loss for the period in the consolidated financial statements	-2,823	-180
Profit / loss which would have been included in the consolidated financial statements if the subsidiaries had been acquired at the beginning of the reporting period	-7,744	-495
Sales revenue which would have been included in the consolidated financial statements if the subsidiaries had been acquired at the beginning of the reporting period	149,533	9,557

## Note 10. Transactions with related parties

For the purposes of these consolidated interim financial statements, related parties include:

- a. shareholders with significant influence
- b. members of the executive and higher management;
- c. close family members of and companies related to the above; and
- d. the parent company and associated companies.

In the preparation of the consolidated interim financial statements, all intra-group receivables and liabilities and all intra-group revenues, expenses and unrealised gains and losses were eliminated.

During the reporting period, Group entities performed transactions with related parties in the following volumes and at the end of the reporting period balances with related parties were the following:

Related party	Transaction	I half 2007	I half 2006	I half 2007	I half 2006
		In thousands of Estonian kroons		In thousands of euro	
Parent company	Lease of business premises	554	366	35	23
	Company related to the management board	0	171	0	11
<b>Total</b>		<b>554</b>	<b>537</b>	<b>35</b>	<b>34</b>

Related party	Transaction	30 June 2007	31 December 2006	30 June 2007	31 December 2006
		In thousands of Estonian kroons		In thousands of euro	
Parent company	Lease of business premises	0	92	0	6
		0	92	0	6
<b>Total</b>		<b>0</b>	<b>92</b>	<b>0</b>	<b>6</b>

In the first half of 2007, the remuneration of the members of the management and supervisory boards totalled 3,757,000 kroons (€240,000). The corresponding figure for the first half of 2006 was 925,000 kroons (€59,000).

## Note 11. Subsequent events

On 5 July 2007, OEG's subsidiary Olympic Casino Ukraine TOV concluded a preliminary agreement on the purchase of the casino operator Eldorado. Eldorado is a well-known Ukrainian casino chain which has five casinos in the capital Kiev. According to the agreement, Olympic Casino Ukraine TOV will become the sole shareholder of Alea, Eldorado Leisure Company and Ukraine Leisure Company, which operate three table and two slot casinos and bars in Kiev. OEG's subsidiary will become the owner of the companies when the final purchase agreement has been signed. The Ukrainian competition authority granted permission for the transaction on 17 August. We hope to complete the purchase process in September. The initially agreed price of the interests amounts to approximately 144 million kroons (€9.2 million).

On 5 July 2007, OEG concluded an agreement for the acquisition of a 97.5% stake in Kesklinna Hotelli OÜ. Kesklinna Hotelli OÜ was established in 2007 and until the date of the transaction it had not performed any operations. The interest was acquired to support a new field of activity – development of casino hotels and casino complexes.

Group established a subsidiary Muntenia Food & Beverage S.r.l in Romania, it is aimed to provide bar services for Group's subsidiary Olympic Casino Bucharest S.r.l. and its clients.