

Olympic Entertainment Group AS

Unaudited consolidated interim financial statements
for the 1st half and 2nd quarter of 2008

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Beginning of financial year	1 January 2008
End of reporting period	30 June 2008
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Auditor	KPMG Baltics AS

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Directors' report

Confirmation by the management board

The board confirms that the directors' report presents fairly the development, performance and financial position of Olympic Entertainment Group AS, the company and the Group, and provides an overview of the main risks and uncertainties.

14 August 2008



Armin Karu
Chairman of the Management Board



Andri Avila
Member of the Management Board



Mart Relye
Member of the Management Board

Olympic Entertainment Group AS
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Olympic Entertainment Group AS (the “Company” or, together with the subsidiaries, the “Group”) is the leading gaming services provider in the Baltic countries (Estonia, Latvia and Lithuania) and gaming facilities operator in Ukraine, Belarus, Poland, Romania and Slovakia.

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 Group 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, Olympic Casino Bucharest S.R.L. in Romania and Olympic Entertainment Slovakia S.r.o in Slovakia. In Estonia, Latvia, Lithuania, Romania and Slovakia the Group’s non-core activities, such as the operation of a hotel in Tallinn and the operation of casino bars, have been separated from casino operations and transferred to specialized entities.

The Group operates slot and table casinos and, at most of its gaming facilities, casino bars. At 30 June 2008, the Group had 130 casinos - 35 in Estonia, 36 in Latvia, 16 in Lithuania, 23 in Ukraine, 4 in Belarus, 8 in Poland, 7 in Romania and 1 in Slovakia. The Group employed 4,086 people in 8 countries.

Most of the Group’s casino properties operate under the Olympic Casino name. 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).

Financial highlights I half of 2008:

Revenue:	1395.3 million kroons (year-on-year growth 34.9%)
EBIDTA:	269.1 million kroons (year-on-year decrease 11.4%)
Operating profit:	99.4 million kroons (year-on-year decrease 49.3%)
Operating margin*:	7.1% (I half 2007: 18.9%)
Profit before tax:	112.9 million kroons (year-on-year decrease 46.9%)
Net profit**:	97.4 million kroons (year-on-year decrease 48.4%)
Net margin***:	7.0% (I half 2007: 18.3%)

* Operating margin = operating profit / revenue

** Net profit before minority interest

** Net margin = net profit / revenue

€1 = 15.6466 kroons

The Group’s consolidated sales revenue for the first half-year totalled 1,389.5 million kroons (88.8 million euros). Total consolidated revenue (sales revenue and other income) surged to 1,395.3 million kroons (89.2 million euros), 34.9% up on the first half-year of 2007 total consolidated revenue of 1,034.4 million kroons (66.1 million euros). In the first half-year of 2008 94% of concern consolidated revenue was formed by gaming operations and 6% of other income. In 2007 H1 gaming revenues accounted for 93% and other revenues for 7% of consolidated revenue.

External revenue by segments

	I half 2008	Growth	Proportion	I half 2007	Proportion
Estonia	400,344	-0.7%	28.7%	402,988	39.0%
Latvia	329,503	4.1%	23.6%	316,397	30.6%
Lithuania	226,414	13.0%	16.2%	200,333	19.4%
Ukraine	151,703	119.4%	10.9%	69,150	6.7%
Belarus	12,901	261.6%	0.9%	3,568	0.3%
Poland	249,681	513.1%	17.9%	40,722	3.9%
Romania	20,460	-	1.5%	1,225	0.1%
Slovakia	4,266	-	0.3%	-	-
Total	1,395,272	34.9%	100.0%	1,034,383	100.0%

€1 = 15.6466 kroons

At the end of first half-year 2008, the Group had 130 casinos with a total area of 36,617 square metres. At the end of first half-year 2007, the number of casinos was 105 and their total area was 29,200 square metres. The number of operating casinos increased by 25 compared to the same period of last year. During the first half-year, 10 new casinos were opened in Lithuania, Ukraine, Romania and Slovakia and 2 casinos were closed. 14 casinos were renovated – 4 former Kristiine Kasiino's in Estonia, 6 former Baltic Gaming casinos in Latvia, 3 former Eldorados in Ukraine and 1 casino in Poland.

Number of casinos by segments

	30 June 2008	31 December 2007	30 June 2007
Estonia	35	35	35
Latvia	36	38	36
Lithuania	16	15	10
Ukraine	23	19	11
Belarus	4	4	2
Poland	8	8	8
Romania	7	3	3
Slovakia	1	-	-
Total	130	122	105

Consolidated operating profit amounted to 99.4 million kroons (6.4 million euros), 49.3% down compared with the first half-year of 2007. Consolidated net profit equalled 97.4 million kroons (6.2 million euros), a 48.5% decrease from the 189.0 million kroons (12.1 million euros) earned in the first half-year of 2007.

2008 second quarter results were expectedly influenced by slight seasonal volatility, expenses related to expansion and to new casinos opening in amount of 27.5 million kroons (1.8 million euros) and relative weakness of Baltic gaming markets, which partially comes from overall cooling of economic climate, but partially also from additional administrative measures set up on gaming operators. Obligation of casino clients' registration in Lithuania came into force since June 1st, which reduced a number of visits in June by approximately 15%. According to worldwide experience in such cases previous number of visits re-establishes itself within the period of three till six months. In addition a complete smoking ban came into force in Lithuania since July 1st and will probably negatively influence third quarter results of Lithuanian subsidiary. In Estonia a smoking ban came into force since June 1st. In comparison with the previous year Estonian gaming market has decreased by approximately 15%. Influenced by overall difficult economic situation, the similar gaming markets' development trends can be observed in the majority of other states.

In spite of difficult market situation in the Baltics, in first half year 2008 OEG concern has continued its aggressive investment and expansion activity on all markets. In addition to opened and renovated casinos on existing markets, a first casino was opened in Slovakia's capital Bratislava in Radisson SAS hotel, which start has exceeded our expectations. Within the current year concern activities aimed for unification of companies' structure, constant optimization of operating expenses and integration of companies acquired in 2007 into other operations of OEG are continued. In second quarter, these activities resulted best in Latvian subsidiaries, where the profit has grown over five times in comparison with the first quarter, while revenue numbers remained at the same level.

Depending on the development of the overall economic climate we expect margins to start growing not before the end of this year.

Consolidated expenses for the first half year 2008 totalled to 1,295.9 million kroons (82.8 million euros), 54.6% up compared to the first half year 2007. The largest expense items were personnel expenses including social charges which amounted to 421.7 million kroons (30.0 million euros), followed by gaming tax expenses of 234.2 million kroons (15.0 million euros), depreciation and amortisation expense of 169.7 million kroons (10.8 million euros), premises rental expenses of 140.9 million kroons (9.0 million euros) and marketing and jackpot expenses of 105.6 million kroons (6.7 million euros).

In comparison with last year, the strongest cost growth in absolute figures came from personnel expenses – 149.2 million kroons (9.5 million euros) – a 54.8% up on year ago, gaming tax expenses – 119.2 million kroons (7.6 million euros) – a 103.7% growth, and premises rent expenses – 74.4 million kroons (4.8 million euros) – a 111.8% growth.

Estonian segment

Due to the Group's expansion, the Estonian segment's contribution to consolidated revenue has declined from 39.0% to 28.7% compared to the same period of a previous year. In the first half-year of 2008, the segment's external revenue amounted to 400.3 million kroons (25.6 million euros) including gaming revenue of 369.4 million kroons (23.6 million euros). In first half-year 2008, the segment's external revenue decreased by 0.7% compared to the same period of last year, growth of gaming revenue was 3%. The decrease in revenues was mostly caused by the decrease in hotel revenues by 4.6 million kroons (0.3 million euros) compared to the first half-year result of the last year.

According to the Estonian Gaming Operator Association, in first half-year 2008 the market share of Olympic Casino Eesti AS was 44%. Total revenue of Estonian gaming market has shown a declining trend, decreasing in the second quarter about 11% in comparison with the first quarter and approximately 15% on a half year comparison basis. Gaming revenues were negatively influenced by a smoking ban in casinos since June.

At the end of June 2008, there were 35 Olympic Casinos in Estonia with a total of 1,294 slot machines and 24 gaming tables. During the first half of the year, 4 former Kristiine Kasiino facilities were renovated.

In first half-year of 2008 the Estonian segment's operating profit has decreased by 22.7% and amounted to 77.5 million kroons (5.0 million euros). Profit decrease has been primarily caused by slowdown of the revenue growth and increase of rental and depreciation expenses.

Latvian segment

The Latvian segment accounts for 23.6% of the Group's consolidated revenue. In the first half-year of 2008, the segment's external revenue amounted to 329.5 million kroons (21.1 million euros) including gaming revenue of 300.4 million kroons (19.2 million euros) and other revenues of 29.1 million kroons (1.9 million euros). In the first half-year of 2008, the segment's external revenue grew by 4.1% compared to the same period last year. Within the period, when Latvian gaming market decreased by 0.3%, Group's market share grew up from 14.0 % to 15.2%.

The Latvian segment's operating profit amounted to 13.8 million kroons (0.9 million euros), 72.2% down compared to the first half-year of 2007. Profit decrease has been caused by increase of operating expenses and slowdown of the revenue growth. In connection with the realization of the process of streamlining organizational structures in Latvian subsidiaries, the operating profit in the second quarter of the current year grew more than five times compared to the first quarter. The full cost effect of restructuring process will appear at the end of the year.

During the first half-year, 6 former Baltic Gaming casinos were renovated and 2 former Baltic Gaming casinos were closed. At the end of June 2008, the Latvian segment was operating 36 casinos with a total of 1,268 slot machines and 40 gaming tables.

Lithuanian segment

The Lithuanian segment's contribution to consolidated revenue has declined from 19.4% to 16.2% compared to the same period of a previous year. In the first half-year of 2008, the segment's external revenue amounted to 226.4 million kroons (14.5 million euros) including gaming revenue of 215.6 million kroons (13.8 million euros) and other revenues of 10.8 million kroons (0.7 million euros). In comparison with the same period of last year, the first half-year revenue growth composed 13.0%.

In the first half-year the segments's operating profit has declined 20.4% compared to the first half-year of 2007 and has reached 41.8 million kroons (2.7 million euros). Lithuanian segment revenues and profit were negatively influenced by casino clients' registration obligation, which came into force since June. Another negative influence is expected from total smoking ban at casinos, which came into force with a legal adjustment since July.

At the end of June 2008, the Lithuanian segment was operating 10 casinos under the Olympic Casino brand 6 B-category slot casinos. The casinos have a total of 640 slot machines and 75 gaming tables.

Ukrainian segment

The segment's external revenue increased 1.2 times compared to the revenues of first half-year of 2007. The segment's revenues grew up to 10.9% of the Group's consolidated revenue. In the first half-year of 2008, the segment's external revenue amounted to 151.7 million kroons (9.7 million euros) including gaming revenue of 142.2 million kroons (9.1 million euros) and other revenues of 9.5 million kroons (0.6 million euros).

The Ukrainian segment's operating loss for the first half-year of 2008 amounted to 6.3 million kroons (0.4 million euros). The operating loss of the first half year 2007 was 11.0 million kroons (0.7 million euros). The segment's operating result was influenced by expansion costs and expenses related to Eldorado casinos closed for renovation in the total amount of 19.4 million kroons (1.2 million euros).

During the first half-year, 4 new casinos were opened and 3 former Eldorado casinos were renovated. At the end of June 2008, the Ukrainian segment was operating 23 casinos with a total of 1001 slot machines and 25 gaming tables.

Belarusian segment

At the end of June 2008, Olympic Casino Bel IP was operating 4 casinos with a total of 199 slot machines in Minsk.

The Belarusian segment accounts for less than 1% of the Group's consolidated revenue. During the first half-year of 2008, revenue has grown 2.6 times compared to the first half-year of 2007 and amounted to 12.9 million kroons (0.8 million euros). The operating loss of Belarusian segment was 9.3 million kroons (0.6 million euros).

In July a fifth Belarusian Olympic Casino was opened at Aleksandrov Passazh mall in Minsk.

Polish segment

In the first half-year of 2008, the segment's external revenue amounted to 249.7 million kroons (16.0 million euros), accounting for 17.9% of the Group's consolidated revenue. Within the first half-year of 2008, revenue has grown more than 5 times compared to the first half-year of 2007. The growth in revenues is related to the fact, that Olympic Casino Sunrise in Hilton hotel was opened at the end of the last year's second quarter.

During the first half-year, 1 former Casino Polonia casino was renovated, which related costs negatively affected operating profit by 4.2 million kroons (0.3 million euros). The segments's operating profit amounted to 11.5 million kroons (0.7 million euros).

At the end of June, Group was operating 8 casinos with 323 slots and 49 gaming tables in Poland.

Romanian segment

The Romanian segment finished the first half-year of 2008 with a revenue of 20.5 million kroons (1.3 million euros). Due to the expenses related to the opening of new casinos, the period ended with an operating loss of 22.6 million kroons (1.4 million euros).

At the end of June 2008, Group was operating 7 casinos in Romania with a total of 236 slot machines. Starting from June, the casino located at Sofitel hotel in Bucharest is closed for renovation.

Balance sheet

At 30 June 2008, the consolidated balance sheet of Group composed 2,797.4 million kroons (178.8 million euros). At 31 December 2007, the consolidated balance sheet of Group amounted to 2,703.9 million kroons (172.8 million euros). The balance sheet volume growth composed by 1%.

Current assets accounted for 522.1 million kroons (33.4 million euros) or 18.7% of total assets and non-current assets for 2,275.3 million kroons (145.4 million euros) or 81.3% of total assets. Intangible assets accounted for 689.1 million kroons (44.0 million euros) or 30.2% of non-current assets.

At 30th June, Group's consolidated liabilities amounted to 423.5 million kroons (27.1 million euros) and consolidated equity amounted to 2,373.9 million kroons (151.7 million euros). The largest part of liabilities is composed by bank loan for expansion financing in amount of 125.2 million kroons (8.0 million euros) and current liabilities from operations - tax commitments of 92.4 million kroons (5.9 million euros), trade payables in amount of 86.3 million kroons (5.5 million euros), payables to employees of 63.3 million kroons (4.0 million euros).

Investments

In the first half-year of 2008, the Group's expenditures on property, plant and equipment totalled 375.5 million kroons (24.0 million euros) including investment in gaming equipment of 257.8 million kroons (16.5 million euros), renovation of casinos in amount of 95.4 million kroons (6.1 million euros), and acquisition of other items of property, plant and equipment in amount of 18.4 million kroons (1.2 million euros).

Expenditures on intangible assets amounted to 3.9 million kroons (0.2 million euros).

Cash flows

Group's operating cash flows during the first half-year of 2008 were 51.1 million kroons (3.3 million euros), cash outflows from investing activities were 252.9 million kroons (16.2 million euros) and cash flows from financing activities were 47.3 million kroons (3.0 million euros). During the first half-year of 2007 Group's operating cash flows were 232.8 million kroons (14.9 million euros), cash outflows from investing activities were 719.0 million kroons (46.0 million euros) and cash outflows from financing activities were 148.9 million kroons (9.5 million euros).

People

At 30 June 2008, the Group employed 4,086 people (31 December 2007: 4,004): 787 in Estonia, 895 in Latvia, 829 in Lithuania, 742 in Ukraine, 91 in Belarus, 541 in Poland, 100 in Romania and 101 in Slovakia.

Employee remuneration expenses including relevant social charges amounted to 421.7 million kroons (27.0 million euros), in first half-year of 2007 the responding figure was 272.5 million kroons (17.4 million euros).

The Group's key financials

	I half 2008	I half 2007	Change
Revenue (kroons, millions)	1,395.3	1,034.4	34.9%
EBITDA(kroons, millions)	269.1	303.7	-11.4%
Operating profit (kroons, millions)	101.1	196.0	-48.4%
Net profit (kroons, millions)	99.2	189.0	-47.5%
EBITDA margin	19.3%	29.4%	-34.3%
Operating margin	7.2%	18.9%	-61.8%
Net margin	7.1%	18.3%	-61.1%
Equity ratio	84.9%	89.8%	-5.5%
Number of casinos at end of period	130	105	+25
Total area of casinos at end of period (in square metres)	36,617	29,200	+7,417
Number of slots at end of period	4,961	3,724	+1,237
Number of game tables at end of period	213	167	+46

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 first quarter of 2008 presented on pages 10 to 27 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 (14 August 2008) have been properly recognised and disclosed; and
- ❑ Olympic Entertainment Group AS and its subsidiaries (excluding Viking Services OÜ which are in liquidation) are going concerns.

14 August 2008



Armin Karu
Chairman of the Management Board



Andri Avila
Member of the Management Board



Mart Relye
Member of the Management Board

Consolidated interim balance sheet

ASSETS			
(In thousands of Estonian kroons)	Note	30 Jun 2008	31 Dec 2007
Current assets			
Cash and cash equivalents		351,051	501,800
Short-term financial investments		6,714	10,929
Trade receivables		15,409	14,309
Other receivables and prepayments		118,820	68,461
Prepaid income tax		1,755	2,567
Inventories		28,336	20,441
Total current assets		522,085	618,507
Non-current assets			
Deferred tax assets		3,594	3,575
Other financial investments		7,176	7,248
Other long-term receivables		12,729	11,955
Investment property	2	57,909	52,924
Property, plant and equipment	2	1,504,806	1,319,338
Intangible assets	3	689,120	690,379
Total non-current assets		2,275,334	2,085,419
TOTAL ASSETS		2,797,419	2,703,926
LIABILITIES AND EQUITY			
(In thousands of Estonian kroons)	Note	30 Jun 2008	31 Dec 2007
LIABILITIES			
Current liabilities			
Interest-bearing loans and borrowings		82,809	4,682
Customer advances		4,475	12,600
Trade payables		86,329	125,749
Other payables		9,825	9,293
Income tax liability		3,083	13,617
Other tax liabilities		71,459	70,870
Other accrued payables		67,884	73,662
Provisions		10,148	15,297
Total current liabilities		336,011	325,770
Non-current liabilities			
Deferred tax liability		17,826	18,280
Interest-bearing loans and borrowings		69,660	24,787
Total non-current liabilities		87,486	43,067
Total liabilities		423,497	368,837
EQUITY			
Share capital	6	1,510,000	1,510,000
Share premium		227,273	227,273
Statutory capital reserve		37,759	19,444
Translation reserves		15,546	-1,343
Retained earnings		516,038	518,394
Total equity attributable to equity holders of		2,306,616	2,273,768
Minority interest		67,305	61,321
Total equity		2,373,921	2,335,089
TOTAL LIABILITIES AND EQUITY		2,797,418	2,703,926

Consolidated interim balance sheet (continued)

ASSETS			
(In thousands of euro)	Note	30 Jun 2008	31 Dec 2007
Current assets			
Cash and cash equivalents		22,436	32,071
Short-term financial investments		429	698
Trade receivables		985	915
Other receivables and prepayments		7,594	4,375
Prepaid income tax		112	164
Inventories		1,811	1,306
Total current assets		33,367	39,530
Non-current assets			
Deferred tax assets		229	229
Other financial investments		459	463
Other long-term receivables		814	764
Investment property	2	3,701	3,382
Property, plant and equipment	2	96,175	84,321
Intangible assets	3	44,043	44,123
Total non-current assets		145,421	133,283
TOTAL ASSETS		178,788	172,812
LIABILITIES AND EQUITY			
(In thousands of euro)	Note	30 Jun 2008	31 Dec 2007
LIABILITIES			
Current liabilities			
Interest-bearing loans and borrowings		5,292	299
Customer advances		286	805
Trade payables		5,517	8,037
Other payables		628	594
Income tax liability		197	870
Other tax liabilities		4,567	4,529
Other accrued payables		4,339	4,708
Provisions		649	978
Total current liabilities		21,475	20,821
Non-current liabilities			
Deferred tax liability		1,139	1,168
Interest-bearing loans and borrowings		4,452	1,584
Total non-current liabilities		5,591	2,753
Total liabilities		27,066	23,573
EQUITY			
Share capital	6	96,507	96,507
Share premium		14,525	14,525
Statutory capital reserve		2,413	1,243
Translation reserves		994	-86
Retained earnings		32,981	33,131
Total equity attributable to equity holders of		147,420	145,320
Minority interest		4,302	3,919
Total equity		151,722	149,239
TOTAL LIABILITIES AND EQUITY		178,788	172,812

Consolidated interim income statement

(In thousands of Estonian kroons)	Note	Q2 2008	Q2 2007	6m 2008	6m 2007
Revenue					
Sales revenue		697,247	571,123	1,389,499	1,030,861
Other income		3,003	2,197	5,773	3,522
Total revenue		700,250	573,320	1,395,272	1,034,383
Expenses					
Cost of materials, goods and services used		-18,846	-14,461	-36,029	-25,606
Other operating expenses		-354,532	-235,431	-658,639	-431,034
Labour costs		-211,214	-153,259	-421,667	-272,481
Depreciation and amortisation	2;3	-88,701	-60,525	-169,386	-107,697
Other expenses		-2,883	-1,024	-10,172	-1,537
Total expenses		-676,176	-464,701	-1,295,894	-838,354
Operating profit		24,074	108,619	99,378	196,028
Financial income and expenses					
Interest income		2,760	6,460	6,211	19,392
Interest expense		-2,780	-10	-3,092	-14
Foreign exchange losses		24,595	454	10,385	-2,938
Net financing costs		24,576	6,904	13,504	16,439
Profit from ordinary operations		48,650	115,523	112,882	212,468
Income tax expense		-13,142	-9,168	-15,441	-23,433
NET PROFIT FOR THE PERIOD		35,508	106,356	97,442	189,035
Attributable to minority interest		-166	2,912	5,984	6,258
Attributable to equity holders of the parent		35,674	103,444	91,458	182,777
Basic earnings per share (kroons)	6	0.24	0.69	0.61	1.21
Diluted earnings per share (kroons)	6	0.24	0.69	0.61	1.21

Consolidated interim income statement (continued)

(In thousands of euro)	Note	Q2 2008	Q2 2007	6m 2008	6m 2007
Revenue					
Sales revenue		44,562	36,501	88,805	65,884
Other income		192	140	369	225
Total revenue		44,754	36,642	89,174	66,109
Expenses					
Cost of materials, goods and services used		-1,204	-924	-2,303	-1,637
Other operating expenses		-22,659	-15,047	-42,095	-27,548
Labour costs		-13,499	-9,795	-26,949	-17,415
Depreciation and amortisation	2;3	-5,669	-3,868	-10,826	-6,883
Other expenses		-184	-65	-650	-98
Total expenses		-43,215	-29,700	-82,823	-53,581
Operating profit		1,539	6,942	6,351	12,529
Financial income and expenses					
Interest income		176	413	397	1,239
Interest expense		-178	-1	-198	-1
Foreign exchange losses		1,572	29	664	-188
Net financing costs		1,571	441	863	1,051
Profit from ordinary operations		3,109	7,383	7,215	13,579
Income tax expense		-840	-586	-987	-1,498
NET PROFIT FOR THE PERIOD		2,269	6,797	6,228	12,082
Attributable to minority interest		-11	186	382	400
Attributable to equity holders of the parent		2,280	6,611	5,845	11,682
Basic earnings per share (euro)	6	0.02	0.04	0.04	0.08
Diluted earnings per share (euro)	6	0.02	0.04	0.04	0.08

Consolidated interim statement of cash flows

(In thousands of Estonian kroons)	Note	6m 2008	6m 2007
Cash flows from operating activities			
Net profit for the period		97,442	189,035
Adjustments for			
Depreciation and amortisation	2;3	169,386	107,697
Gain on disposal of property, tangibles, intangibles		4,668	34
Other net financing items		-13,504	-16,439
Change in receivables and prepayments related to operating		-64,183	88,800
Change in inventories		-7,895	-12,900
Change in payables and advances related to operating activity		-106,556	-112,215
Interest paid		-2,284	-14
Corporate income tax paid		-25,999	-11,207
Net cash from operating activities		51,075	232,791
Cash flows from investing activities			
Acquisition of property, tangibles, intangibles		-271,712	-266,407
Proceeds from sale of non-current assets		14,537	544
Acquisition of shares in subsidiaries		0	-392,609
Loans given		0	-776,685
Repayment of loans given		0	2
Interest received		4,228	17,125
Net cash used in investing activities		-252,947	-719,030
Cash flows from financing activities			
Proceeds from issue of share capital	6	0	2,000
Proceeds from loans received	5	125,173	0
Payment of finance lease principal	4	-2,329	-99
Dividends paid	6	-75,500	-150,800
Net cash used in financing activities		47,344	-148,899
NET CASH FLOWS		-154,528	-635,138
Increase in cash and cash equivalents		-154,528	-635,138
Cash and cash equivalents at beginning of period		501,800	1,234,658
Effect of exchange rate fluctuations		3,779	-2,305
Cash and cash equivalents at end of period		351,051	597,215

Consolidated interim statement of cash flows (continued)

(In thousands of euro)	Note	6m 2008	6m 2007
Cash flows from operating activities			
Net profit for the period		6,228	12,082
Adjustments for			
Depreciation and amortisation	2;3	10,826	6,883
Gain on disposal of property, tangibles, intangibles		298	2
Other net financing items		-863	-1,051
Change in receivables and prepayments related to operating		-4,102	5,675
Change in inventories		-505	-824
Change in payables and advances related to operating activity		-6,810	-7,172
Interest paid		-146	-1
Corporate income tax paid		-1,662	-716
Net cash from operating activities		3,265	14,878
Cash flows from investing activities			
Acquisition of property, tangibles, intangibles		-17,366	-17,027
Proceeds from sale of non-current assets		929	35
Acquisition of shares in subsidiaries		0	-25,092
Loans given		0	-4,965
Interest received		270	1,095
Net cash used in investing activities		-16,166	-45,954
Cash flows from financing activities			
Proceeds from issue of share capital	6	0	128
Proceeds from loans received	5	8,000	0
Payment of finance lease principal	4	-149	-6
Dividends paid	6	-4,825	-9,638
Net cash used in financing activities		3,026	-9,516
NET CASH FLOWS		-9,876	-40,592
Increase in cash and cash equivalents		-9,876	-40,592
Cash and cash equivalents at beginning of period		32,071	78,909
Effect of exchange rate fluctuations		242	-147
Cash and cash equivalents at end of period		22,436	38,169

Consolidated interim statement of changes in equity

(In thousands of Estonian kroons)	Equity attributable to equity holders of the parent					Total	Minority interest	Total
	Share capital	Share premium	Statutory capital reserve	Translation reserve	Retained earnings			
At 31 December 2006	754,000	968,800	4	-2,217	315,308	2,035,896	37,118	2,073,013
Net profit for the period	0	0	0	0	182,777	182,777	6,258	189,035
Effect of changes in exchange rates	0	0	0	989	0	989	0	989
Total recognised income and expense	0	0	0	989	182,777	183,766	6,258	190,024
Bonus issue	754,000	-754,000	0	0	0	0	0	0
Transfer to capital reserve	0	0	19,440	0	-19,440	0	0	0
Dividend distribution	0	0	0	0	-150,800	-150,800	0	-150,800
Issue of share capital	2,000	12,473	0	0	0	14,473	0	14,473
Acquired through business combinations	0	0	0	0	0	0	9,534	9,534
At 30 June 2007	1,510,000	227,273	19,444	-1,228	327,845	2,083,335	52,910	2,136,244
At 31 December 2007	1,510,000	227,273	19,444	-1,344	518,394	2,273,767	61,321	2,335,088
Net profit for the period	0	0	0	0	91,458	91,458	5,984	97,442
Effect of changes in exchange rates	0	0	0	16,891	0	16,891	0	16,891
Total recognised income and expense	0	0	0	16,891	91,458	108,349	5,984	114,333
Transfer to capital reserve	0	0	18,315	0	-18,315	0	0	0
Dividend distribution	0	0	0	0	-75,500	-75,500	0	-75,500
At 30 June 2008	1,510,000	227,273	37,759	15,546	516,037	2,306,616	67,305	2,373,921

Consolidated interim statement of changes in equity

(In thousands of euro)	Equity attributable to equity holders of the parent					Total	Minority interest	Total
	Share capital	Share premium	Statutory capital reserve	Translation reserve	Retained earnings			
At 31 December 2006	48,189	61,918	0	-142	20,152	130,117	2,372	132,489
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
Total recognised income and expense	0	0	0	63	11,682	11,745	400	12,145
Bonus issue	48,189	-48,189	0	0	0	0	0	0
Transfer to capital reserve	0	0	1,242	0	-1,242	0	0	0
Dividend distribution	0	0	0	0	-9,638	-9,638	0	-9,638
Issue of share capital	128	797	0	0	0	925	0	925
Acquired through business combinations	0	0	0	0	0	0	609	609
At 30 June 2007	96,507	14,525	1,243	-79	20,953	133,149	3,382	136,531
At 31 December 2007	96,507	14,525	1,243	-86	33,131	145,320	3,919	149,239
Net profit for the period	0	0	0	0	5,845	5,845	382	6,228
Effect of changes in exchange rates	0	0	0	1,080	0	1,080	0	1,080
Total recognised income and expense	0	0	0	1,080	5,845	6,925	382	7,307
Transfer to capital reserve	0	0	1,171	0	-1,171	0	0	0
Dividend distribution	0	0	0	0	-4,825	-4,825	0	-4,825
At 30 June 2008	96,507	14,525	2,413	994	32,981	147,420	4,302	151,721

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 2008 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 2007 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.

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 2007.

These condensed consolidated interim financial statements were approved by the management board on 14 August 2008.

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 2007.

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 2007.

Note 2. Investment property and property, plant and equipment

(In thousands of Estonian kroons)	Investment property	Property, plant and equipment	Total
At 31 December 2007	52,924	1,319,338	1,372,262
Additions	4,985	350,387	355,372
Disposals	0	-46,959	-46,959
Depreciation for the period	0	-161,040	-161,040
Accumulated depreciation on disposals	0	30,357	30,357
Effect of movements in exchange rates	0	12,723	12,723
At 30 June 2008	57,909	1,504,806	1,562,715

(In thousands of euro)	Investment property	Property, plant and equipment	Total
At 31 December 2007	3,382	84,321	87,704
Additions	319	22,394	22,712
Disposals	0	-3,001	-3,001
Depreciation for the period	0	-10,292	-10,292
Accumulated depreciation on disposals	0	1,940	1,940
Effect of movements in exchange rates	0	813	813
At 30 June 2008	3,701	96,175	99,876

Note 3. Intangible assets

(In thousands of Estonian kroons)	Goodwill	Other intangible assets	Total
At 31 December 2007	624,704	65,675	690,379
Additions	0	3,888	3,888
Amortisation for the period	0	-8,345	-8,345
Effect of movements in exchange rates	2,826	372	3,198
At 30 June 2008	627,530	61,590	689,120

(In thousands of euro)	Goodwill	Other intangible assets	Total
At 31 December 2007	39,926	4,197	44,123
Additions	0	248	248
Amortisation for the period	0	-533	-533
Effect of movements in exchange rates	180	24	204
At 30 June 2008	40,106	3,936	44,043

Note 4. Finance lease liabilities

(In thousands of Estonian kroons)	30 June 2008	31 December 2007
Finance lease liabilities at beginning of period	22,857	193
Addition to finance lease liabilities	0	25,214
Principal payments made	-2,330	-2,295
Effect of movements in exchange rates	-228	-255
Finance lease liabilities at end of period	20,299	22,857
current position	2,321	4,682
non-current portion (payable in up to 4 years)	17,978	18,175

(In thousands of euro)	30 June 2008	31 December 2007
Finance lease liabilities at beginning of period	1,461	12
Addition to finance lease liabilities	0	1,611
Principal payments made	-149	-147
Effect of movements in exchange rates	-15	-16
Finance lease liabilities at end of period	1,297	1,461
current position	148	299
non-current portion (payable in up to 4 years)	1,149	1,162

The Latvian subsidiary has acquired gaming equipment with finance lease. The lease contract is concluded in July 2007, the term is 4 years, the annual interest rate of the lease is 4.8% and the base currency is euro.

Note 5. Interest-bearing loan

(In thousands of Estonian kroons)	30 June 2008	31 December 2007
At beginning of period	0	0
Loan received	125,173	0
At end of period	125,173	0
current position	78,233	0
non-current portion (payable in up to 2,5 years)	46,940	

(In thousands of euro)	30 June 2008	31 December 2007
At beginning of period	0	0
Loan received	8,000	0
At end of period	8,000	0
current position	5,000	0
non-current portion (payable in up to 2,5 years)	3,000	

On 5th of June 2008 Olympic Entertainment Group AS and AS Hansapank have concluded a loan agreement with the limit amount of EUR 15,000,000 (the equivalent of EEK 234,699,000 according to the exchange rate of the Bank of Estonia at the date of the agreement conclusion). The availability period of the facility limit is until 29 January 2009. The final term of loan is 31 December 2010. The basis for calculation of annual interest is Euro 3 months` Euribor + 1.35%. The purpose of the loan is OEG concern investments financing in Romania and Slovakia. The loan shall be guaranteed by a pledge to be established in favour of AS Hansapank in the form of financial collateral on 4,904,867 shares of Olympic Casino Eesti AS (registration code 10011039).

Note 6. Share capital

On 20 May 2008, the shareholders' general meeting decided to distribute dividends of 0.5 kroons (€0.03) per share, i.e. 75,500,000 kroons (€4,825,000) in aggregate. The dividends were paid out in June 2008.

Basic earnings per share for the first half of 2008 have been calculated by dividing the profit for the period by number of shares (151,000,000 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.

	Q2 2008	Q2 2007	1 half 2008	1 half 2007
Profit for the period (in thousands of Estonian kroons)	35,674	103,444	91,458	182,777
Weighted average number of shares outstanding (in thousands)	151,000	150,866	151,000	150,833
Basic earnings per share (in kroons)	0.24	0.69	0.61	1.21
Diluted earnings per share (in kroons)	0.24	0.69	0.61	1.21

	Q2 2008	Q2 2007	1 half 2008	1 half 2007
Profit for the period (in thousands of euro)	2,280	6,611	5,845	11,682
Weighted average number of shares outstanding (in thousands)	151,000	150,866	151,000	150,833
Basic earnings per share (in euro)	0.02	0.04	0.04	0.08
Diluted earnings per share (in euro)	0.02	0.04	0.04	0.08

Note 7. 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.

Geographical segments

	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
(In thousands of Estonian kroons)	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007
Sales revenue from external customers	191,412	225,412	166,461	159,951	114,040	104,611	79,258	37,257	6,674	2,067	127,208	40,600	7,928	1,224	4,266	0	0	0	697,247	571,123
Other external income	2,050	1,270	430	599	10	207	4	0	0	0	462	121	46	0	0	0	0	0	3,003	2,197
Inter-segment sales revenue and other income	3,795	4,039	464	49	7	157	0	0	0	0	0	0	0	0	0	0	-4,266	-4,245	0	0
Total revenue	197,257	230,721	167,356	160,599	114,057	104,975	79,262	37,257	6,674	2,067	127,670	40,721	7,974	1,224	4,266	0	-4,266	-4,245	700,250	573,320
External expenses	-160,644	-161,933	-155,255	-142,633	-95,029	-72,772	-88,379	-31,085	-11,423	-6,687	-132,051	-43,899	-23,499	-5,683	-9,896	-8	0	0	-676,175	-464,700
Inter-segment expenses	0	-49	-836	-905	-669	-822	-497	-543	-119	-180	-1,008	-1,549	-1,210	-189	-227	0	4,567	4,237	0	0
Total expenses	-160,644	-161,981	-156,090	-143,538	-95,698	-73,595	-88,877	-31,628	-11,543	-6,867	-133,060	-45,448	-24,709	-5,873	-10,123	-8	4,567	4,237	-676,175	-464,700
Operating profit	36,613	68,740	11,266	17,061	18,359	31,380	-9,615	5,629	-4,869	-4,800	-5,390	-4,727	-16,735	-4,649	-5,857	-8	301	-8	24,075	108,620
Net financial items																			24,576	6,904
Income tax expense																			-13,142	-9,168
Net profit for the period																			35,508	106,356
	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
(In thousands of Estonian kroons)	6m 2008	6 m 2007	6m 2008	6 m 2007	6m 2008	6 m 2007	6m 2008	6 m 2007	6m 2008	6 m 2007	6m 2008	6 m 2007	6m 2008	6 m 2007	6m 2008	6 m 2007	6m 2008	6 m 2007	6m 2008	6 m 2007
Sales revenue from external customers	397,707	401,151	328,376	315,166	226,404	200,012	151,673	69,138	12,899	3,568	248,336	40,601	19,838	1,224	4,266	0	0	0	1,389,499	1,030,861
Other external income	2,637	1,837	1,127	1,231	10	321	30	12	2	0	1,344	121	622	0	0	0	0	0	5,773	3,522
Inter-segment sales revenue and other income	6,818	6,080	1,449	129	229	169	0	0	0	0	0	0	0	0	0	0	-8,496	-6,378	0	0
Total revenue	407,162	409,068	330,953	316,526	226,643	200,503	151,703	69,150	12,901	3,568	249,680	40,722	20,460	1,224	4,266	0	-8,496	-6,378	1,395,272	1,034,383
External expenses	-322,876	-302,763	-315,668	-266,671	-184,612	-147,839	-157,982	-58,108	-22,170	-12,862	-238,145	-44,420	-43,101	-5,683	-11,340	-8	0	0	-1,295,893	-838,355
Inter-segment expenses	0	-99	-1,501	-1,708	-1,301	-1,592	-1,091	-941	-293	-292	-1,955	-1,549	-2,524	-189	-240	0	8,906	6,370	0	0
Total expenses	-322,876	-302,862	-317,168	-268,380	-185,913	-149,432	-159,074	-59,049	-22,464	-13,154	-240,101	-45,969	-45,625	-5,873	-11,580	-8	-8,906	6,370	-1,295,893	-838,357
Operating profit	84,286	106,205	13,785	48,147	40,730	51,071	-7,371	10,102	-9,563	-9,586	9,579	-5,247	-25,165	-4,649	-7,314	-8	410	-8	99,379	196,028
Net financial items																			13,504	16,439
Income tax expense																			-15,440	-23,433
Net profit for the period																			97,442	189,035

Geographical segments

	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
(In thousands of euro)	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007
Sales revenue from external customers	12,233	14,406	10,639	10,223	7,288	6,686	5,065	2,381	427	132	8,130	2,595	507	78	273	0	0	0	44,562	36,501
Other external income	131	81	28	38	1	13	0	0	0	0	30	8	3	0	0	0	0	0	192	140
Inter-segment sales revenue and other income	243	258	30	3	0	10	0	0	0	0	0	0	0	0	0	0	-273	-271	0	0
Total revenue	12,607	14,746	10,696	10,264	7,290	6,709	5,066	2,381	427	132	8,160	2,603	510	78	273	0	-273	-271	44,754	36,642
External expenses	-10,267	-10,349	-9,923	-9,116	-6,073	-4,651	-5,648	-1,987	-730	-427	-8,440	-2,806	-1,502	-363	632	-1	0	0	-43,215	-29,700
Inter-segment expenses	0	-3	-53	-58	-43	-53	-32	-35	-8	-12	-64	-99	-77	-12	-15	0	292	271	0	0
Total expenses	-10,267	-10,353	-9,976	-9,174	-6,116	-4,704	-5,680	-2,021	-738	-439	-8,504	-2,905	-1,579	-375	-647	-1	292	271	-43,215	-29,700
Operating profit	2,340	4,393	720	1,090	1,173	2,006	-614	360	-311	-307	-344	-302	-1,070	-297	-374	-1	19	0	1,539	6,942
Net financial items																			1,571	441
Income tax expense																			-840	-586
Net profit for the period																			2,269	6,797
	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
(In thousands of euro)	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007
Sales revenue from external customers	25,418	25,638	20,987	20,143	14,470	12,783	9,694	4,419	824	228	15,872	2,595	1,268	78	273	0	0	0	88,805	65,884
Other external income	169	117	72	79	1	21	2	1	0	0	86	8	40	0	0	0	0	0	369	225
Inter-segment sales revenue and other income	436	389	93	8	15	11	0	0	0	0	0	0	0	0	0	0	-543	-408	0	0
Total revenue	26,022	26,144	21,152	20,230	14,470	12,814	9,696	4,420	825	228	15,957	2,603	1,308	78	273	0	-543	-408	89,174	66,109
External expenses	-20,636	-19,350	-20,175	-17,043	-11,799	-9,449	-10,097	-3,714	-1,417	-822	-15,220	-2,839	-2,755	-363	-725	-1	0	0	-82,823	-53,581
Inter-segment expenses	0	-6	-96	-109	-83	-102	-70	-60	-19	-19	-125	-99	-161	-12	-15	0	569	407	0	0
Total expenses	-20,636	-19,356	-20,271	-17,153	-11,882	-9,550	-10,167	-3,774	-1,436	-841	-15,345	-2,938	-2,916	-375	-740	-1	569	407	-82,823	-53,581
Operating profit	5,387	6,788	881	3,077	2,603	3,264	-471	646	-611	-613	612	-335	-1,608	-297	-467	-1	26	-1	6,351	12,529
Net financial items																			863	1,051
Income tax expense																			-987	-1,498
Net profit for the period																			6,228	12,082

Business segments

	Gaming services		Other services		Eliminations		Consolidated	
(In thousands of Estonian kroons)	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007
Sales revenue from external customers	658,343	538,605	38,904	32,518	0	0	697,247	571,123
Other external income	2,143	1,063	860	1,134	0	0	3,003	2,197
Inter-segment sales revenue and other income	4,540	869	17,374	18,075	-21,914	-18,945	0	0
Total revenue	665,026	540,537	57,138	51,728	-21,914	-18,945	700,250	573,320

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(In thousands of Estonian kroons)	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007
Sales revenue from external customers	1,317,711	975,641	71,788	55,220	0	0	1,389,499	1,030,861
Other external income	4,323	1,856	1,449	1,666	0	0	5,773	3,522
Inter-segment sales revenue and other income	7,173	1,665	37,646	32,768	-44,819	-34,433	0	0
Total revenue	1,329,208	979,162	110,883	89,654	-44,819	-34,433	1,395,272	1,034,383

Business segments

	Gaming services		Other services		Eliminations		Consolidated	
(In thousands of euro)	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007
Sales revenue from external customers	42,076	34,423	2,486	2,078	0	0	44,562	36,501
Other external income	137	68	55	73	0	0	192	140
Inter-segment sales revenue and other income	290	56	1,110	1,155	-1,401	-1,211	0	0
Total revenue	42,503	34,547	3,651	3,306	-1,401	-1,211	44,754	36,642

	Hasartmängud		Muud teenused		Elimineerimised		Konsolideeritud	
(In thousands of euro)	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007	6m 2008	6m 2007
Sales revenue from external customers	84,217	62,355	4,588	3,529	0	0	88,805	65,884
Other external income	276	119	93	106	0	0	369	225
Inter-segment sales revenue and other income	458	106	2,406	2,094	-2,864	-2,201	0	0
Total revenue	84,952	62,580	7,087	5,730	-2,864	-2,201	89,174	66,109

Note 8. Subsidiaries

	Domicile	Ownership interest		Core activity	Shareholder
		30 June 2008	31 Dec 2007		
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%	100%	Bar services	Olympic Casino Eesti
Casinova OÜ	Estonia	100%	100%	Trademark holding	Olympic Casino Eesti
Kesklinna Hotelli OÜ	Estonia	97,5%	97,5%	Gaming services	OEG
Olympic Casino Latvia SIA	Latvia	100%	36,5%	Gaming services	OEG
Olympic Casino Latvia SIA	Latvia	0%	63,5%	Gaming services	Olympic Casino Group Baltic
Ahti SIA	Latvia	100%	100%	Gaming services	OEG
Faraons SIA	Latvia	100%	100%	Bar services	OEG
Olympic Casino Group Baltic SIA	Latvia	0%	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
Alea Private Company	Ukraine	100%	100%	Gaming services	Olympic Casino Ukraine
Eldorado Leisure Company	Ukraine	100%	100%	Gaming services	Olympic Casino Ukraine
Ukraine Leisure Company	Ukraine	100%	100%	Gaming services	Olympic Casino Ukraine
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%	33,33%	Gaming services	OEG
Casino-Polonia Wroclaw Sp.Z.o.o.	Poland	33,33%	33,33%	Gaming services	Silber Investments
Casino-Polonia Wroclaw Sp.Z.o.o.	Poland	13,33%	13,33%	Gaming services	Baina Investments
Olympic Casino Bucharest S.r.l.	Romania	100%	100%	Gaming services	OEG
Muntenia Food Beverage S.r.l	Romania	90%	90%	Bar services	OEG
Muntenia Food Beverage S.r.l	Romania	10%	10%	Bar services	Olympic Casino Bucharest
Olympic Exchange S.r.l	Romania	90%	90%	Currency exchange	OEG
Olympic Exchange S.r.l	Romania	10%	10%	Currency exchange	Olympic Casino Bucharest
Olympic Entertainment Slovakia	Slovakia	100%	100%	Gaming services	OEG
Olympic F & B S.r.o.	Slovakia	100%	0%	Bar services	OEG

Establishment of subsidiaries

In February OEG set up a subsidiary in Slovakia. The incorporated company is named Olympic F&B S.r.o. and its area of activity will be provision of bar services for Olympic Entertainment Slovakia S.r.o and for its customers.

Transformation of subsidiaries

In January 2008 was decided juridical re-establishment of activities of Estonian subsidiary Nordic Gaming AS, changes in court register were made in May.

In the first quarter of 2008 subsidiaries Olympic Casino Latvia SIA and Olympic Casino Group Baltic SIA merged. The balance sheet date of the merger was 1 January 2008. The juridical merger was finished in March, as a result Olympic Casino Group Baltic SIA was dissolved from Latvian enterprise register.

In March 2008 was decided juridical merger of Latvian subsidiaries Faraons SIA and Ahti SIA .

In May 2008 was decided liquidation of Estonian subsidiaries Jokker-Pokker OÜ and Casinova OÜ.

Note 9. 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 HansaAssets OÜ 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:

(In thousands of Estonian kroons)		1 half 2008	1 half 2007
Related party	Transaction	Purchases	Purchases
Parent company	Lease of business premises	554	554
Total		554	554

(In thousands of euro)		1 half 2008	1 half 2007
Related party	Transaction	Purchases	Purchases
Parent company	Lease of business premises	35	35
Total		35	35

In the first quarter of 2008, the remuneration of management and supervisory board members with social taxes totalled 4,623,000 kroons (295,000 euros). The corresponding figure for the 2007 was 3,757,000 kroons (240,000 euros).