

Olympic Entertainment Group AS

Unaudited consolidated interim financial statements  
for the 12 months and 4<sup>th</sup> quarter of 2008

Business name	Olympic Entertainment Group AS
Registration number	10592898
Address	Pronksi 19, Tallinn 10124
Telephone	+372 6 671 250
Fax	+372 6 671 270
E-mail	<a href="mailto:info@oc.eu">info@oc.eu</a>
Website	<a href="http://www.olympic-casino.com">www.olympic-casino.com</a>
Core activity	Provision of gaming services
Beginning of financial year	1 January 2008
End of reporting period	31 December 2008
General Manager	Andri Avila
Auditor	KPMG Baltics AS

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## **General Manager's report**

### **Confirmation by the General Manager**

The General Manager's 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.

11 March 2009



Andri Avila  
General manager

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’s structure is published in the interim reports’s note 8.

The Group operates slot and table casinos and, at most of its gaming facilities, casino bars. At 31 December 2008, the Group had 133 casinos - 36 in Estonia, 33 in Latvia, 16 in Lithuania, 24 in Ukraine, 5 in Belarus, 9 in Poland, 9 in Romania and 1 in Slovakia. The Group employed 3,924 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).

### **Main factors that influenced the result for 2008, competitiveness of the Group and results**

The Baltic gaming market contracted 20% in the fourth quarter of 2008. Although October was the most successful month for the Group in 2008, almost all markets where the Group operates were in strong decline. At the same time the Group has managed to outperform the market average: during the year the market share of OEG increased from 42% to 45% in Estonia, from 15% to 16% in Latvia and from 51% to 54% in Lithuania. For the year as a whole, the biggest income gains were recorded by the Group companies in Poland and Slovakia.

During 2008 the Group implemented an extensive efficiency program. The Group closed 10 casinos that had negative cash flows and at the end of 2008 operated 133 casinos in eight countries. During the year the Group reduced the number of jobs by 288 (approximately 7%) and at the end of the year had 3 924 employees. Costs related to these activities amounted to 17.7 million kroons (1.1 million euros) in 2008. The efficiency program implemented in 2008 is expected to have a positive impact on the Group’s earnings in 2009 in the total estimated amount of 166 million kroons (10.6 million euros).

The Group’s results in 2008 were strongly affected by fluctuations in foreign exchange rates (Ukrainian grivna, Polish zloty, Romanian leu) and accounting losses resulting from re-assessment of several investments that will not have a direct effect on the Group cash flows. Behind accounted foreign exchange rate losses were intra-Group loan agreements.

The Group’s operating earnings before non-capitalised investment costs, costs related to optimization of structure and closure of casinos as well as costs related to the adjustment of investments and changes in foreign exchange rates were 135.9 million kroons in 2008 (8.7 million euros). However, the Group’s pre-income tax loss for 2008 amounted to 446.1 million kroons (28.5 million euros) that was influenced by additional one-off costs of implementing the efficiency program in the amount of 17.7 million kroons (1.1 million euros), loss from changes in currency exchange rates in the amount of 263.4 million kroons (16.8 million euros), re-assessment of assets in the amount of 197.1 million kroons (12.6 million euros) and non-capitalised investment costs in the amount of 104.4 million kroons (6.7 million euros).

### **Significant changes in the operation of the Group in Q1 2009**

In the first quarter 2009 the Group reduced the remuneration payable to employees by 20%.

During the first quarter 2009, the Group will additionally close 15 casinos that have negative cash flows and continue to closely monitor the profitability of several other casinos. During the same period the number of Group employees will decrease by 356 positions or approximately 9%.

The Group plans to significantly modify its casino entertainment concept by transforming most casinos that it operates into casino lounges. As a result of these changes, casinos will have a wider floor area where customers can spend leisure time without gaming. In addition, the range of products on offer in casino bars will be expanded significantly: in addition to the current extensive drinks' variety there will also be a food menu with favourable prices. The first casino lounges complying with the new concept will be completed at the beginning of the second quarter 2009.

In the light of shrinking demand and with the aim of implementing a new concept, the Group plans to reduce the number of slot machines in most of its casinos during the first quarter 2009. As a result of this, the fixed costs related to the gaming tax will fall significantly. In addition, the Group plans to shorten the opening time of several casinos (before, all casinos operated by Olympic Casino were opened 24 hours a day).

The Group's rent cost will decline in the course of the first quarter 2009 both through closure of casinos and fall of rentals of premises in existing casinos. New agreements reached with owners of various rented premises will have a positive influence on the cost structure of the Group since the second quarter of 2009.

#### Financial highlights 2008:

Revenue:	2 800.8 million kroons
EBITDA from day-to-day operations*:	528.0 million kroons
EBIT from day-to-day operations*:	135.8 million kroons
Extraordinary expenses, incl	
Non-capitalized investment expenses:	-104.4 million kroons
Structure optimization and closure of casinos:	- 17.7 million kroons
Provisions for casinos to be closed within 2009 Q1:	-84.2 million kroons
Decline of goodwill:	-98.4 million kroons
Decline of real estate investment value:	-14.5 million kroons
Influence of currency Exchange rates changes:	-263.4 million kroons
Interest revenues and costs net:	0.7 million kroons
Net profit before income tax:	-446.1 million kroons

\*Ordinary business activity is referred to as business activity excluding investment activities, structure optimization, casinos closures, investment value adjustment and currency exchange rates fluctuations.

€1 = 15.6466 kroons

The Group's consolidated sales revenue for the year of 2008 totaled 2,788.1 million kroons (178.1 million euros). Total consolidated revenue (sales revenue and other income) surged to 2,800.8 million kroons (179.0 million euros), 11.3% up on the 2007 total consolidated revenue of 2,517.4 million kroons (160.9 million euros). In the of 2008 94% of concern consolidated revenues was formed by gaming operations and 6% of other income. In the year of 2007 gaming revenue accounted for 93% and other revenues for 7% of consolidated revenue.

#### External revenue by segments

	2008	Growth	Proportion	2007	Proportion
Estonia	741,825	-14.3%	26.5%	865,977	34.4%
Latvia	656,494	-5.2%	23.4%	692,758	27.5%
Lithuania	415,332	-11.7%	14.8%	470,480	18.7%
Ukraine	333,756	77.9%	11.9%	187,640	7.5%
Belarus	34,363	172.4%	1.2%	12,617	0.5%
Polands	548,715	102.6%	19.6%	270,838	10.8%
Romania	38,914	127.4%	1.4%	17,114	0.6%
Slovakia	31,442	-	1.2%	-	-
Total	2,800,841	11.3%	100.0%	2,517,424	100.0%

€1 = 15.6466 kroons

At the end of 2008, the Group had 133 casinos, with a total area of 38,877 square meters. At the end of 2007 the number of casinos was 122 and their total area was 33,828 m<sup>2</sup>. Within of the current year 21 new casinos were opened and 10 casinos were closed. 15 casinos were renovated– 4 former Kristiine Kasiino's in Estonia, 6 former Baltic Gaming casinos in Latvia, 4 former Eldorado casinos in Ukraine and 1 casino in Poland.

Number of casinos by segments

	31 December 2008	31 December 2007
Estonia	36	35
Latvia	33	38
Lithuania	16	15
Ukraine	24	19
Belarus	5	4
Poland	9	8
Romania	9	3
Slovakia	1	-
Total	133	122

Results of 2008 were majorly influenced by decreasing trend of the gaming markets, which has sharpened in the second half year due to overall difficult economic situation. Estonian gaming market has decreased by approximately 17% in comparison with the 2007 and Latvian and Lithuanian markets by 12%. Additional administrative measures set up on gaming operators in the end of first part of 2008 also partially influence gaming revenues (obligation of casinos' clients registration in Lithuania and smoking ban in casinos in Estonia and Lithuania).

Due to decrease of market situation in connection with overall economic environment decline the management has conducted assets evaluation, which led to assets value adjustment by a total amount of 197.1 million kroons (12.6 million Euros). Management decisions and evaluations are based on historical experience and prognosis of events of the future periods, including development of overall economic environment.

Group's operating profit for the year of 2008 composed -183.3 million kroons (-11.7 million euros), the operating profit for the year of 2007 totalled 431.5 million kroons (27.6 million euros). Consolidated net loss for the year of 2008 totalled -452.7 million kroons (-28.9 million euros), in 2007 the net profit amounted 380.7 million kroons (24.3 million euros).

Consolidated expenses for the year of 2008 have grown 41.3% compared to the year of 2007 and totaled to 2,984.2 million kroons (190.7 million euros). The largest expense items were personnel expenses including social charges which amounted to 852.9 million kroons (54.5 million euros), followed by gaming tax expenses of 483.3 million kroons (30.9 million euros), depreciation expenses of 483.3 million kroons (30.9 million euros), premises rental expenses of 313.1 million kroons (20 million euros) and marketing and jackpot expenses of 212.2 million kroons (13.6 million euros).

In comparison with last year, the strongest cost growth in absolute figures came from personnel expenses – total 201 million kroons (12.8 million euros) – a 30.8% up on year ago, gaming tax expenses – 153.3 million kroons (9.8 million euros) – a 46.5% growth, premises rent expenses – 142.2 million kroons (9.1 million euros) – a 83.1% growth and depreciation expenses - total 130.4 million kroons (8.3 million euros) – a 50.7%,

### **Estonian segment**

In the year of 2008, the segment's external revenue amounted to 741.8 million kroons (47.4 million euros) including gaming revenue of 681.6 million kroons (43.6 million euros). Estonian segment has earned 26.5 % of Group's revenues, while last year segment's proportion was 34.4%. The segment's external revenue decreased by 14.3 % compared to 2007, 4<sup>th</sup> quarter revenues decreased 30% in comparison with the same period last year.

Decrease in revenues reflects the development trend of Estonian gaming market – according to the Estonian Gaming Operators' association revenue decrease in 2008 composed approximately 17%. In addition to macroeconomical factors, gaming revenues were negatively influenced by a smoking ban in casinos since June.

Within the year of 2008 the Group has opened 4 and closed 4 casinos in Estonia. During the first half of the year 4 former casinos of Kristiine Kasiino were renovated. At the end of 2008, there were 35 Olympic Casinos in Estonia with a total of 1,415 slot machines and 22 gaming tables.

Estonian segment's operating profit for the 2008 has decreased by 72.2% in comparison with 2007 and amounted to 59.0 million kroons (3.8 million euros). Profit decrease has been primarily caused by slowdown of the revenues. Extraordinary costs influenced a result by 31.5 million kroons (2.0 million euros).

#### **Latvian segment**

The Latvian segment accounts for 23.4% of the Group's consolidated revenue. In the 2008, the segment's external revenue amounted to 656.5 million kroons (42.0 million euros) including gaming revenue of 603.7 million kroons (38.6 million euros). In the 2008, the segment's external revenue decreased by 5.2% compared to the same period last year. Within 2008 Latvian gaming market has decreased by 12%.

The Latvian segment's operating profit for the 2008 amounted to 29.0 million kroons (1.9 million euros), 72.1% down compared to the same period of 2007. Extraordinary costs influenced a result by 37.0 million kroons (2.4 million euros).

During the year of 2008, 6 former Baltic Gaming casinos were renovated and 5 former Baltic Gaming casinos were closed. At the end of December 2008, the Latvian segment was operating 33 casinos with a total of 1,112 slot machines and 36 gaming tables.

#### **Lithuanian segment**

The Lithuanian segment accounts for 14.8% of the group's consolidated revenue. The segment's external revenue amounted to 415.3 million kroons (26.5 million euros) including gaming revenue of 393.5 million kroons (25.1 million euros). In comparison with the same period of last year, the revenue decrease composed 7.9%. Within 2008 Lithuanian gaming market has decreased by 12%.

Lithuanian segment operating profit composed 21.6 million kroons (1.4 million euros), 84.4% down compared to the 2007. Lithuanian segment revenues and profit were negatively influenced by casino clients' registration obligation, which came into force since June, and by total smoking ban at casinos, which came into force with a legal adjustment since July. Extraordinary costs influenced a result by 27.8 million kroons (1.8 million euros).

At the end of December 2008, the Lithuanian segment was operating 16 casinos with the total of 640 slot machines and 74 gaming tables.

#### **Ukrainian segment**

The segment's external revenue increased 77.9% times compared to the revenues of 2007. The segment's proportion grew up to 11.9% of the Group's consolidated revenue. In the 2008, the segment's external revenue amounted to 333.8 million kroons (21.3 million euros) including gaming revenue of 311.7 million kroons (19.9 million euros).

The Ukrainian segment's operating loss for the 2008 amounted to 76.7 million kroons (4.9 million euros). The operating profit of the 2007 year was 20.5 million kroons (1.3 million euros). The segment's operating result was influenced by expansion costs and extraordinary costs related to revaluation of assets in the total amount of 106.3 million kroons (6.8 million euros).



During the year of 2008, 5 new casinos were opened and 3 former Eldorado casinos were renovated. At the end of September 2008, the Ukrainian segment was operating 24 casinos with a total of 1,138 slot machines and 25 gaming tables.

#### **Belarus segment**

At the end of December 2008, Olympic Casino Bel IP was operating 5 casinos with a total of 261 slot machines in Minsk. In July a fifth Belarus Olympic Casino was opened at Aleksandrov Passazh mall in Minsk.

The Belarus segment accounts for 1.2% of the Group's consolidated revenue. During the 2008, revenue has grown 172.4% compared to the year of 2007 and amounted to 34.2 million kroons (2.2 million euros). 2008 operating loss of Belarus segment was 16.9 million kroons (1.1 million euros).

#### **Polish segment**

In the year of 2008, the Polish segment's external revenue amounted to 548.7 million kroons (35.1 million euros) accounting for 19.6% of the Group's consolidated revenue. Within the 2008, revenue has grown 2 times compared to the same period last year. The growth in revenues is related to the fact, that Olympic Casino Sunrise at Hilton hotel was opened at the end of the last year's second quarter.

During 2008, 1 former Casino Polonia casino was renovated and 2 new casinos was opened, which related costs negatively affected operating profit by 16.6 million kroons (1.1 million euros). The segment's operating loss for the 2008 amounted to 40.5 million kroons (2.6 million euros), in 2007 operating profit amounted to 3.1 million kroons (0.2 million euros). Polish results were influenced by growing depreciation expenses connected with unifying of calculation methods with Concern accounting principles.

At the end of the 4<sup>th</sup> quarter, concern was operating 9 casinos with 391 slots and 61 gaming tables in Poland.

#### **Romanian segment**

The Romanian segment ended the year of 2008 with the revenue of 38.9 million kroons (2.5 million euros). During the 2008 7 new casinos were opened in Romanian capital Bucharest. Preparation works connected with new casinos' openings, start-up period of the new casinos and extraordinary costs related to revaluation of assets have brought along the expenses, which resulted in the operating loss of 134.5 million kroons (8.6 million euros).

At the end of December 2008, concern was operating 9 casinos in Romania with a total of 344 slot machines. Starting from June, the casino located at Sofitel hotel in Bucharest is closed for renovation, reopening is planned for the first quarter of 2009.

#### **Slovakian segment**

At the end of June 2008 Group has opened its first casino in Slovakia, at the Radisson SAS Hotel located in the center of Bratislava with 61 slot machines and 11 gaming tables. In January 2009 a second Olympic casino was opened in Trnava.

Slovakia segment finished the year of 2008 with revenue of 31.4 million kroons (2.0 million euros) and operating loss of 24.3 million kroons (1.6 million euros). The segment's operating result was influenced by expansion costs in the total amount of 8.1 million kroons (0.5 million euros).

#### **Balance sheet**

At 31 December 2008, the consolidated balance sheet of Group composed 2,405.4 million kroons (153.7 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 decline composed 8.3%.

**Olympic Entertainment Group AS**  
**Unaudited consolidated interim financial statements for the 12 months and 4<sup>th</sup> quarter of 2008**

Current assets accounted for 460.7 million kroons (29.4 million euros) or 19.2% of total assets and non-current assets for 1,944.8 million kroons (124.3 million euros) or 80.8% of total assets. Intangible assets accounted for 508.6 million kroons (32.5 million euros) or 26.2% of non-current assets.

At 31 December 2008, Group's consolidated liabilities amounted to 559.7 million kroons (35.8 million euros) and consolidated equity amounted to 2,845.8 million kroons (118.0 million euros).

### **Investments**

In 2008, the Group's expenditures on property, plant and equipment totalled 659.6 million kroons (42.2 million euros) including investment in gaming equipment of 446.8 million kroons (16.5 million euros). Expenditures on intangible assets amounted to 3.1 million kroons (0.2 million euros).

### **People**

At 31 December 2008, the Group employed 3,924 people (31 December 2007: 4,004): 752 in Estonia, 780 in Latvia, 794 in Lithuania, 704 in Ukraine, 98 in Belarus, 543 in Poland, 157 in Romania and 96 in Slovakia.

During 2008 employee remuneration expenses including relevant social charges amounted to 852.9 million kroons (54.5 million euros), in 2007 the responding figure was 651.9 million kroons (41.7 million euros).

### **The Group's key financials**

	2008	2007	Change
Revenue (kroons, millions)	2,800.8	2,517.4	11.3%
EBITDA (kroons, millions)	401.4	688.7	-41.7%
Operating profit (kroons, millions)	-183.3	431.5	-142.5%
Net profit (kroons, millions)	-452.6	380.7	-218.9%
EBITDA margin	14.3%	27.3%	
Operating margin	-6.5%	17.1%	
Net margin	-16.2%	15.1%	
Equity ratio	76.7%	86.4%	
Number of casinos at end of period	133	122	11
Total area of casinos at end of period (in square meters)	38,482	33,828	5,049
Number of slot machines at end of period	5,301	4,690	611
Number of gaming tables at end of period	218	202	16

### **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 General Manager responsibility

The General Manager of Olympic Entertainment Group AS acknowledges his responsibility for the preparation, integrity and fair presentation of the consolidated interim financial statements of Olympic Entertainment Group AS for the 2008 presented on pages 11 to 29 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 11 March 2009 have been properly recognised and disclosed; and
- ❑ Olympic Entertainment Group AS and its subsidiaries (excluding Viking Services OÜ, Jokker-Pokker OÜ and Casinova OÜ which are in liquidation) are going concerns.

11 March 2009



Andri Avila  
General manager

## Consolidated interim balance sheet

<b>ASSETS</b>			
(In thousands of Estonian kroons)	Note	31 December 2008	31 December 2007
<b>Current assets</b>			
Cash and cash equivalents		317,295	501,800
Short-term financial investments		0	10,929
Trade receivables		4,832	14,309
Other receivables and prepayments		87,115	68,461
Prepaid income tax		19,183	2,567
Inventories		32,257	20,441
<b>Total current assets</b>		<b>460,682</b>	<b>618,507</b>
<b>Non-current assets</b>			
Deferred tax assets		13,178	3,575
Other financial investments		15,943	7,248
Other long-term receivables		48,050	11,955
Investment property	2	45,309	52,924
Property, plant and equipment	2	1,313,691	1,319,338
Intangible assets	3	508,592	690,379
<b>Total non-current assets</b>		<b>1,944,763</b>	<b>2,085,419</b>
<b>TOTAL ASSETS</b>		<b>2,405,445</b>	<b>2,703,926</b>
<b>LIABILITIES AND EQUITY</b>			
(In thousands of Estonian kroons)	Note	31 December 2008	31 December 2007
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	4;5	82,802	4,682
Customer advances		15,266	12,600
Trade payables		67,943	125,749
Other payables			9,293
Income tax liability		87,233	13,617
Other tax liabilities		448	70,870
Other accrued payables		74,440	73,662
Provisions		12,797	15,297
<b>Total current liabilities</b>		<b>350,237</b>	<b>325,770</b>
<b>Non-current liabilities</b>			
Deferred tax liability		14,448	18,280
Interest-bearing loans and borrowings		194,969	24,787
<b>Total non-current liabilities</b>		<b>209,416</b>	<b>43,067</b>
<b>Total liabilities</b>		<b>559,654</b>	<b>368,837</b>
<b>EQUITY</b>			
Share capital	6	1,510,000	1,510,000
Share premium		227,273	227,273
Statutory capital reserve		37,759	19,444
Translation reserves		34,847	-1,343
Retained earnings		-29,934	518,394
Total equity attributable to equity holders of		1,779,945	2,273,768
Minority interest		65,846	61,321
<b>Total equity</b>		<b>1,845,791</b>	<b>2,335,089</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,405,445</b>	<b>2,703,926</b>

## Consolidated interim balance sheet (continued)

<b>ASSETS</b>			
(In thousands of euro)	Note	31 December 2008	31 December 2007
<b>Current assets</b>			
Cash and cash equivalents		20,279	32,071
Short-term financial investments		0	698
Trade receivables		309	915
Other receivables and prepayments		5,568	4,375
Prepaid income tax		1,226	164
Inventories		2,062	1,306
<b>Total current assets</b>		<b>29,443</b>	<b>39,530</b>
<b>Non-current assets</b>			
Deferred tax assets		842	229
Other financial investments		1,019	463
Other long-term receivables		3,071	764
Investment property	2	2,896	3,382
Property, plant and equipment	2	83,960	84,321
Intangible assets	3	32,505	44,123
<b>Total non-current assets</b>		<b>124,293</b>	<b>133,283</b>
<b>TOTAL ASSETS</b>		<b>153,736</b>	<b>172,812</b>
<b>LIABILITIES AND EQUITY</b>			
(In thousands of euro)	Note	31 December 2008	31 December 2007
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	4;5	5,292	299
Customer advances		976	805
Trade payables		4,342	8,037
Other payables		0	594
Income tax liability		5,575	870
Other tax liabilities		29	4,529
Other accrued payables		4,758	4,708
Provisions		818	978
<b>Total current liabilities</b>		<b>22,384</b>	<b>20,820</b>
<b>Non-current liabilities</b>			
Deferred tax liability		923	1,168
Interest-bearing loans and borrowings		12,461	1,585
<b>Total non-current liabilities</b>		<b>13,384</b>	<b>2,753</b>
<b>Total liabilities</b>		<b>35,768</b>	<b>23,573</b>
<b>EQUITY</b>			
Share capital	6	96,507	96,507
Share premium		14,525	14,525
Statutory capital reserve		2,413	1,243
Translation reserves		2,227	-86
Retained earnings		-1,913	33,131
Total equity attributable to equity holders of		113,759	145,320
Minority interest		4,208	3,919
<b>Total equity</b>		<b>117,968</b>	<b>149,239</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>153,736</b>	<b>172,812</b>

## Consolidated interim income statement

(In thousands of Estonian kroons)	Note	Q4 2008	Q4 2007	2008	2007
<b>Revenue</b>					
Sales revenue		722,350	802,306	2,788,073	2,487,298
Other income		0	23,601	12,768	30,125
<b>Total revenue</b>		<b>722,350</b>	<b>825,907</b>	<b>2,800,841</b>	<b>2,517,424</b>
<b>Expenses</b>					
Cost of materials, goods and services used		-16,268	-19,530	-65,679	-60,289
Other operating expenses		-437,487	-370,170	-1,448,143	-1,103,019
Labour costs		-217,722	-208,761	-852,943	-651,911
Depreciation, amortisation and impairment	2;3	-313,496	-82,588	-584,665	-257,154
Other expenses		-4,450	-11,115	-32,727	-13,558
<b>Total expenses</b>		<b>-989,423</b>	<b>-692,165</b>	<b>-2,984,156</b>	<b>-2,085,931</b>
<b>Operating profit</b>		<b>-267,073</b>	<b>133,742</b>	<b>-183,315</b>	<b>431,493</b>
<b>Financial income and expenses</b>					
Gain from investments in associates		0	11	0	11
Interest income		2,328	3,551	10,858	27,791
Interest expense		-5,740	-318	-10,601	-604
Foreign exchange gain (losses)		-298,472	-22,025	-263,189	-34,289
Other financial income and expenses		0	0	193	0
<b>Net financing costs</b>		<b>-301,884</b>	<b>-18,781</b>	<b>-262,739</b>	<b>-7,091</b>
<b>Profit from ordinary operations</b>		<b>-568,957</b>	<b>114,961</b>	<b>-446,054</b>	<b>424,402</b>
Income tax expense		12,892	-17,582	-6,593	-43,752
<b>NET PROFIT FOR THE PERIOD</b>		<b>-556,065</b>	<b>97,379</b>	<b>-452,647</b>	<b>380,650</b>
Attributable to minority interest		-9	6,707	4,525	14,356
Attributable to equity holders of the parent		-556,056	90,672	-457,172	366,294
Basic earnings per share (kroons)	6	-3.68	0.60	-3.03	2.43
Diluted earnings per share (kroons)	6	-3.68	0.60	-3.03	2.43

## Consolidated interim income statement (continued)

(In thousands of euro)	Note	Q4 2008	Q4 2007	2008	2007
<b>Revenue</b>					
Sales revenue		46,167	51,277	178,190	158,967
Other income		0	1,508	816	1,925
<b>Total revenue</b>		<b>46,167</b>	<b>52,785</b>	<b>179,006</b>	<b>160,893</b>
<b>Expenses</b>					
Cost of materials, goods and services used		-1,040	-1,248	-4,197	-3,853
Other operating expenses		-27,961	-23,658	-92,553	-70,496
Labour costs		-13,915	-13,342	-54,513	-41,665
Depreciation, amortisation and impairment	2;3	-20,036	-5,278	-37,367	-16,435
Other expenses		-284	-710	-2,092	-866
<b>Total expenses</b>		<b>-63,236</b>	<b>-44,237</b>	<b>-190,722</b>	<b>-133,315</b>
<b>Operating profit</b>		<b>-17,069</b>	<b>8,548</b>	<b>-11,716</b>	<b>27,577</b>
<b>Financial income and expenses</b>					
Gain from investments in associates		0	1	0	1
Interest income		149	227	694	1,776
Interest expense		-367	-20	-677	-39
Foreign exchange gain (losses)		-19,076	-1,408	-16,821	-2,191
Other financial income and expenses		0	0	12	0
<b>Net financing costs</b>		<b>-19,294</b>	<b>-1,200</b>	<b>-16,792</b>	<b>-453</b>
<b>Profit from ordinary operations</b>		<b>-36,363</b>	<b>7,347</b>	<b>-28,508</b>	<b>27,124</b>
Income tax expense		824	-1,124	-421	-2,796
<b>NET PROFIT FOR THE PERIOD</b>		<b>-35,539</b>	<b>6,224</b>	<b>-28,929</b>	<b>24,328</b>
Attributable to minority interest		-1	429	289	918
Attributable to equity holders of the parent		-35,538	5,795	-29,219	23,410
Basic earnings per share (euro)	6	-0.24	0.04	-0.19	0.16
Diluted earnings per share (euro)	6	-0.24	0.04	-0.19	0.16

## Consolidated interim statement of cash flows

(In thousands of Estonian kroons)	Note	2008	2007
<b>Cash flows from operating activities</b>			
Net profit for the period		-452,647	380,651
Adjustments for			
Depreciation and amortisation	2;3	470,866	256,805
Impairment losses on goodwill	2	99,319	0
Changes in the fair value of investment property	3	14,480	-21,105
Loss on disposal of property, tangibles, intangibles		20,839	8,440
Net expenses from associates		0	-11
Other net financing items		262,739	7,102
Change in receivables and prepayments related to operating		-108,048	-14,317
Change in inventories		-11,816	7,973
Change in payables and advances related to operating activity		-47,956	75,423
Interest paid		-9,217	-599
Corporate income tax paid		-55,420	-44,712
<b>Net cash from operating activities</b>		<b>183,139</b>	<b>655,650</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, tangibles, intangibles		-581,966	-660,682
Proceeds from sale of non-current assets		15,787	2,436
Proceeds from sale of financial investments		6,643	0
Acquisition of shares in subsidiaries		1,227	-524,232
Proceeds from disposal of shares in subsidiary companie		0	11
Loans given		0	-77,685
Repayment of loans given		0	2
Interest received		6,573	25,840
<b>Net cash used in investing activities</b>		<b>-551,736</b>	<b>-1,234,310</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		0	2,000
Proceeds from loans received	5	493,412	0
Repayment of loans received	5	-234,699	0
Payment of finance lease principal	4	-3,476	-2,295
Dividends paid	6	-75,500	-150,800
<b>Net cash used in financing activities</b>		<b>179,738</b>	<b>-151,095</b>
<b>NET CASH FLOWS</b>		<b>-188,859</b>	<b>-729,755</b>
<b>Increase in cash and cash equivalents</b>		<b>-188,859</b>	<b>-729,755</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>501,800</b>	<b>1,234,658</b>
Effect of exchange rate fluctuations		4,353	-3,103
<b>Cash and cash equivalents at end of period</b>		<b>317,295</b>	<b>501,800</b>



## Consolidated interim statement of cash flows (continued)

(In thousands of euro)	Note	2008	2007
<b>Cash flows from operating activities</b>			
Net profit for the period		-28,929	24,328
Adjustments for			
Depreciation and amortisation	2;3	30,094	16,413
Impairment losses on goodwill	2	6,348	0
Changes in the fair value of investment property	3	925	-1,349
Loss on disposal of property, tangibles, intangibles		1,332	539
Net expenses from associates		0	-1
Other net financing items		16,792	454
Change in receivables and prepayments related to operating activity		-6,906	-915
Change in inventories		-755	510
Change in payables and advances related to operating activity		-3,065	4,820
Interest paid		-589	-38
Corporate income tax paid		-3,542	-2,858
<b>Net cash from operating activities</b>		<b>11,705</b>	<b>41,904</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, tangibles, intangibles		-37,194	-42,225
Proceeds from sale of non-current assets		1,009	156
Proceeds from sale of financial investments		425	0
Acquisition of shares in subsidiaries		78	-33,505
Proceeds from disposal of shares in subsidiary companies		0	1
Loans given		0	-4,965
Interest received		420	1,651
<b>Net cash used in investing activities</b>		<b>-35,262</b>	<b>-78,887</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		0	128
Proceeds from loans received	5	31,535	0
repayment of loans received	5	-15,000	0
Payment of finance lease principal	4	-222	-147
Dividends paid	6	-4,825	-9,638
<b>Net cash used in financing activities</b>		<b>11,487</b>	<b>-9,657</b>
<b>NET CASH FLOWS</b>		<b>-12,070</b>	<b>-46,640</b>
<b>Increase in cash and cash equivalents</b>		<b>-12,070</b>	<b>-46,640</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>32,071</b>	<b>78,909</b>
Effect of exchange rate fluctuations		278	-198
<b>Cash and cash equivalents at end of period</b>		<b>20,279</b>	<b>32,071</b>

## 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			
<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>37,118</b>	<b>2,073,013</b>
Net profit for the period	0	0	0	0	366,295	366,295	14,356	380,651
Effect of changes in exchange rates	0	0	0	872	0	872	0	872
<b>Total recognised income and expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>872</b>	<b>366,295</b>	<b>367,167</b>	<b>14,356</b>	<b>381,523</b>
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	9,847	9,847
<b>At 31 December 2007</b>	<b>1,510,000</b>	<b>227,273</b>	<b>19,444</b>	<b>-1,344</b>	<b>518,394</b>	<b>2,273,768</b>	<b>61,321</b>	<b>2,335,089</b>
Net profit for the period	0	0	0	0	-457,172	-457,172	4,525	-452,647
Effect of changes in exchange rates	0	0	0	36,191	0	36,191	0	36,191
<b>Total recognised income and expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,191</b>	<b>-457,172</b>	<b>-420,981</b>	<b>4,525</b>	<b>-416,456</b>
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
Options	0	0	0	0	2,658	2,658	0	2,658
<b>At 31 December 2008</b>	<b>1,510,000</b>	<b>227,273</b>	<b>37,759</b>	<b>34,847</b>	<b>-29,934</b>	<b>1,779,945</b>	<b>65,846</b>	<b>1,845,791</b>

## Consolidated interim statement of changes in equity

(In thousands of euro)	Equity attributable to equity holders of the parent						Minority interest	Total
	Share capital	Share premium	Statutory capital reserve	Translation reserve	Retained earnings	Total		
<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	23,411	23,411	918	24,328
Effect of changes in exchange rates	0	0	0	56	0	56	0	56
<b>Total recognised income and expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56</b>	<b>23,411</b>	<b>23,466</b>	<b>918</b>	<b>24,384</b>
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
Options	0	0	0	0	448	448	0	448
Issue of share capital	128	797	0	0	0	925	0	925
Acquired through business combinations	0	0	0	0	0	0	629	629
<b>At 31 December 2007</b>	<b>96,507</b>	<b>14,525</b>	<b>1,242</b>	<b>-86</b>	<b>33,131</b>	<b>145,320</b>	<b>3,919</b>	<b>149,239</b>
Net profit for the period	0	0	0	0	-29,219	-29,219	289	-28,929
Effect of changes in exchange rates	0	0	0	2,313	0	2,313	0	2,313
<b>Total recognised income and expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,313</b>	<b>-29,219</b>	<b>-26,906</b>	<b>289</b>	<b>-26,616</b>
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
Options	0	0	0	0	170	170	0	170
<b>At 31 December 2008</b>	<b>96,507</b>	<b>14,525</b>	<b>2,413</b>	<b>2,227</b>	<b>-1,913</b>	<b>113,759</b>	<b>4,208</b>	<b>117,968</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 twelve months ended 31 December 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](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 2007.

These condensed consolidated interim financial statements were approved by the management board on 11 March 2009.

#### 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
<b>At 31 December 2007</b>	<b>52,924</b>	<b>1,319,338</b>	<b>1,372,262</b>
Additions	6,865	659,560	666,425
Reclassificatsion	0	2,008	0
Disposals	0	-129,844	-129,844
Depreciation for the period	0	-373,495	-373,495
Accumulated depreciation on disposals	0	83,502	83,502
Accumulated depreciation on reclassificatsion	0	-214	-114
Impairment	-14,480	-80,215	-93,273
Effect of movements in exchange rates	0	-166,949	-166,949
<b>At 31 December 2008</b>	<b>45,309</b>	<b>1,313,691</b>	<b>1,359,000</b>

(In thousands of euro)	Investment property	Property, plant and equipment	Total
<b>At 31 December 2007</b>	<b>3,382</b>	<b>84,321</b>	<b>87,704</b>
Additions	439	42,154	42,592
Reclassificatsion	0	128	181
Disposals	0	-8,299	-8,299
Depreciation for the period	0	-23,871	-23,871
Accumulated depreciation on disposals	0	5,337	5,337
Accumulated depreciation on reclassificatsion	0	-14	-7
Impairment	-925	-5,127	-5,961
Effect of movements in exchange rates	0	-10,670	-10,670
<b>At 30 September 2008</b>	<b>2,896</b>	<b>83,960</b>	<b>86,856</b>

### Note 3. Intangible assets

(In thousands of Estonian kroons)	Goodwill	Other intangible assets	Total
<b>At 31 December 2007</b>	<b>624,704</b>	<b>65,675</b>	<b>690,379</b>
Additions	0	3,156	3,156
Reclassification	0	-2,008	-2,008
Disposal	-919	-40	-959
Amortisation for the period	0	-17,156	-17,156
Amortisation on disposals	0	28	28
Amortisation on reclassification	0	214	214
Impairment	-99,319	0	-99,319
Effect of movements in exchange rates	-63,343	-2,400	-65,743
<b>At 31 December 2008</b>	<b>461,123</b>	<b>47,469</b>	<b>508,592</b>

(In thousands of euro)	Goodwill	Other intangible assets	Total
<b>At 31 December 2007</b>	<b>39,926</b>	<b>4,197</b>	<b>44,123</b>
Additions	0	202	202
Reclassification	0	-128	-128
Disposal	-59	-3	-62
Amortisation for the period	0	-1,096	-1,096
Amortisation on disposals	0	2	2
Amortisation on reclassification	0	14	14
Impairment	-6,348	0	-6,348
Effect of movements in exchange rates	-4,048	-154	-4,202
<b>At 31 December 2008</b>	<b>29,471</b>	<b>3,034</b>	<b>32,505</b>

### Note 4. Finance lease liabilities

(In thousands of Estonian kroons)	31 December 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	-3,476	-2,295
Effect of movements in exchange rates	-330	-255
Finance lease liabilities at end of period	19,051	22,857
current position	4,569	4,682
non-current portion	14,482	18,175

(In thousands of euro)	31 December 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	-222	-147
Effect of movements in exchange rates	-21	-16
Finance lease liabilities at end of period	1,218	1,461
current position	292	299
non-current portion	926	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)	31 December 2008	31 December 2007
At beginning of period	0	0
Loan received	493,412	0
Repayment of loans received	-234,699	0
At end of period	258,713	0
current position	78,233	0
non-current portion	180,480	

(In thousands of euro)	31 December 2008	31 December 2007
At beginning of period	0	0
Loan received	31,535	0
Repayment of loans received	-15,000	
At end of period	16,535	0
current position	5,000	0
non-current portion	11,535	

On 5<sup>th</sup> 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). On 26<sup>th</sup> of November 2008 Olympic Entertainment Group AS and AS Hansapank have concluded a loan agreement, which increased the existing limit amount by EUR 10,000,000 up to EUR 25,000,000 and extended the final term of loan up to 5 years until 25<sup>th</sup> December 2013. The basis for calculation of annual interest is Euro 6 months' Euribor + 3.75%.

The purpose of the loan is OEG concern investments financing in Romania, Poland, Slovakia and Lithuania.

The loan shall be guaranteed by a pledge to be established in favour of AS Hansapank in the form of financial collateral on OEG's subsidiaries shares in Estonia, Latvia, Lithuania, Poland and Ukraine and in the form of guarantee from OEG subsidiaries in Belarus, Romania and Slovakia

## 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 - December 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 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 12 months and 4<sup>th</sup> quarter of 2008

	Q4 2008	Q4 2007	2008	2007
Profit for the period (in thousands of Estonian kroons)	-556,065	97,379	-452,647	380,650
Weighted average number of shares outstanding (in thousands)	151,000	151,000	151,000	151,000
<b>Basic earnings per share (in kroons)</b>	<b>-3.68</b>	<b>0.60</b>	<b>-3.03</b>	<b>2.43</b>
<b>Diluted earnings per share (in kroons)</b>	<b>-3.68</b>	<b>0.60</b>	<b>-3.03</b>	<b>2.43</b>

  

	Q4 2008	Q4 2007	2008	2007
Profit for the period (in thousands of euro)	-35,539	6,224	-28,929	24,328
Weighted average number of shares outstanding (in thousands)	151,000	151,000	151,000	151,000
<b>Basic earnings per share (in euro)</b>	<b>-0.24</b>	<b>0.04</b>	<b>-0.19</b>	<b>0.16</b>
<b>Diluted earnings per share (in euro)</b>	<b>-0.24</b>	<b>0.04</b>	<b>-0.19</b>	<b>0.16</b>

## 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)	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007
Sales revenue from external customers	167,472	239,210	154,334	193,774	95,126	137,087	88,683	80,188	12,807	5,677	179,585	139,322	10,998	7,049	13,577	0	0	0	722,580	802,307
Other external income	1,853	1,963	1,013	880	1,447	20,721	-3,263	0	182	0	1,272	-50	-1,566	86	-1,168	0	0	0	-231	23,600
Inter-segment sales revenue and other income	2,993	3,597	697	656	0	19	0	0	0	0	0	0	0	0	0	0	-3,689	-4,272	0	0
<b>Total revenue</b>	<b>172,317</b>	<b>244,771</b>	<b>156,043</b>	<b>195,309</b>	<b>96,573</b>	<b>157,826</b>	<b>85,421</b>	<b>80,188</b>	<b>12,988</b>	<b>5,677</b>	<b>180,857</b>	<b>139,272</b>	<b>9,431</b>	<b>7,136</b>	<b>12,409</b>	<b>0</b>	<b>-3,689</b>	<b>-4,272</b>	<b>722,349</b>	<b>825,907</b>
External expenses	-191,446	-187,286	-160,239	-172,104	-118,094	-100,043	-152,306	-74,618	-16,049	-14,310	-224,872	-123,996	-102,866	-19,060	-23,551	-749	0	0	-989,423	-692,165
Inter-segment expenses	0	-201	-643	-637	-368	-722	-559	-456	-100	-189	-676	-1,052	-1,580	-1,015	-2,152	-2	6,078	4,273	0	0
<b>Total expenses</b>	<b>-191,446</b>	<b>-187,487</b>	<b>-160,881</b>	<b>-172,741</b>	<b>-118,462</b>	<b>-100,765</b>	<b>-152,865</b>	<b>-75,073</b>	<b>-16,149</b>	<b>-14,499</b>	<b>-225,548</b>	<b>-125,048</b>	<b>-104,446</b>	<b>-20,075</b>	<b>-25,703</b>	<b>-751</b>	<b>6,078</b>	<b>4,273</b>	<b>-989,423</b>	<b>-692,165</b>
<b>Operating profit</b>	<b>-19,128</b>	<b>57,284</b>	<b>-4,838</b>	<b>22,567</b>	<b>-21,889</b>	<b>57,061</b>	<b>-67,444</b>	<b>5,114</b>	<b>-3,160</b>	<b>-8,822</b>	<b>-44,692</b>	<b>14,224</b>	<b>-95,014</b>	<b>-12,939</b>	<b>-13,294</b>	<b>-751</b>	<b>2,388</b>	<b>1</b>	<b>-267,073</b>	<b>133,742</b>
Net financial items																			-301,884	-18,782
Income tax expense																			12,892	-17,582
<b>Net profit for the period</b>																			<b>-556,065</b>	<b>97,379</b>
	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
(In thousands of Estonian kroons)	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sales revenue from external customers	736,304	861,235	653,519	689,793	413,977	449,231	333,967	187,627	34,180	12,125	545,937	270,260	37,761	17,028	32,428	0	0	0	2,788,072	2,487,299
Other external income	5,520	4,743	2,975	2,965	1,355	21,249	-211	12	184	492	2,779	577	1,152	86	-985	0	0	0	12,769	30,125
Inter-segment sales revenue and other income	13,080	13,285	2,880	2,670	229	220	0	0	0	0	0	0	0	0	0	0	-16,189	-16,175	0	0
<b>Total revenue</b>	<b>754,904</b>	<b>879,263</b>	<b>659,375</b>	<b>695,428</b>	<b>415,561</b>	<b>470,700</b>	<b>333,756</b>	<b>187,639</b>	<b>34,363</b>	<b>12,616</b>	<b>548,716</b>	<b>270,838</b>	<b>38,913</b>	<b>17,114</b>	<b>31,442</b>	<b>0</b>	<b>-16,189</b>	<b>-16,175</b>	<b>2,800,841</b>	<b>2,517,424</b>
External expenses	-682,777	-653,476	-627,480	-588,650	-393,717	-331,860	-410,453	-167,136	-51,298	-36,285	-589,200	-267,720	-173,441	-40,047	-55,791	-757	0	0	-2,984,156	-2,085,931
Inter-segment expenses	-560	-302	-2,489	-3,394	-1,669	-3,130	-3,941	-1,903	-488	-674	-3,595	-3,392	-5,222	-3,372	-2,651	-2	20,615	16,169	0	0
<b>Total expenses</b>	<b>-683,338</b>	<b>-653,778</b>	<b>-629,968</b>	<b>-592,044</b>	<b>-395,386</b>	<b>-334,991</b>	<b>-414,394</b>	<b>-169,039</b>	<b>-51,785</b>	<b>-36,959</b>	<b>-592,794</b>	<b>-271,112</b>	<b>-178,664</b>	<b>-43,419</b>	<b>-58,442</b>	<b>-759</b>	<b>20,615</b>	<b>16,169</b>	<b>-2,984,156</b>	<b>-2,085,931</b>
<b>Operating profit</b>	<b>71,567</b>	<b>225,485</b>	<b>29,406</b>	<b>103,384</b>	<b>20,175</b>	<b>135,709</b>	<b>-80,639</b>	<b>18,600</b>	<b>-17,422</b>	<b>-24,343</b>	<b>-44,078</b>	<b>-275</b>	<b>-139,750</b>	<b>-26,305</b>	<b>-26,999</b>	<b>-759</b>	<b>4,425</b>	<b>-6</b>	<b>-183,315</b>	<b>431,493</b>
Net financial items																			-262,739	-7,091
Income tax expense																			-6,593	-43,752
<b>Net profit for the period</b>																			<b>-452,647</b>	<b>380,650</b>

## Geographical segments

	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
(In thousands of euro)	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007
Sales revenue from external customers	10,703	15,288	9,864	12,384	6,080	8,761	5,668	5,125	819	363	11,478	8,904	703	451	868	0	0	0	46,182	51,277
Other external income	118	125	65	56	92	1,324	-209	0	12	0	81	-3	-100	6	-75	0	0	0	-15	1,508
Inter-segment sales revenue and other income	191	230	45	42	0	1	0	0	0	0	0	0	0	0	0	0	-236	-273	0	0
<b>Total revenue</b>	<b>11,013</b>	<b>15,644</b>	<b>9,973</b>	<b>12,482</b>	<b>6,172</b>	<b>10,087</b>	<b>5,459</b>	<b>5,125</b>	<b>830</b>	<b>363</b>	<b>11,559</b>	<b>8,901</b>	<b>603</b>	<b>456</b>	<b>793</b>	<b>0</b>	<b>-236</b>	<b>-273</b>	<b>46,167</b>	<b>52,785</b>
External expenses	-12,236	-11,970	-10,241	-10,999	-7,548	-6,394	-9,734	-4,769	-1,026	-915	-14,372	-7,925	-6,574	-1,218	-1,505	-48	0	0	-63,236	-44,237
Inter-segment expenses	0	-13	-41	-41	-24	-46	-36	-29	-6	-12	-43	-67	-101	-65	-138	0	388	273	0	0
<b>Total expenses</b>	<b>-12,236</b>	<b>-11,983</b>	<b>-10,282</b>	<b>-11,040</b>	<b>-7,571</b>	<b>-6,440</b>	<b>-9,770</b>	<b>-4,798</b>	<b>-1,032</b>	<b>-927</b>	<b>-14,415</b>	<b>-7,992</b>	<b>-6,675</b>	<b>-1,283</b>	<b>-1,643</b>	<b>-48</b>	<b>388</b>	<b>273</b>	<b>-63,236</b>	<b>-44,237</b>
<b>Operating profit</b>	<b>-1,223</b>	<b>3,661</b>	<b>-309</b>	<b>1,442</b>	<b>-1,399</b>	<b>3,647</b>	<b>-4,310</b>	<b>327</b>	<b>-202</b>	<b>-564</b>	<b>-2,856</b>	<b>909</b>	<b>-6,073</b>	<b>-827</b>	<b>-850</b>	<b>-48</b>	<b>153</b>	<b>0</b>	<b>-17,069</b>	<b>8,548</b>
Net financial items																			-19,294	-1,200
Income tax expense																			824	-1,124
<b>Net profit for the period</b>																			<b>-35,539</b>	<b>6,224</b>
	Estonia		Latvia		Lithuania		Ukraine		Belarus		Poland		Romania		Slovakia		Eliminations		Consolidated	
(In thousands of euro)	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sales revenue from external customers	47,058	55,043	41,767	44,086	26,458	28,711	21,344	11,992	2,184	775	34,892	17,273	2,413	1,088	2,072	0	0	0	178,190	158,967
Other external income	353	303	190	189	87	1,358	-13	1	12	31	178	37	74	6	-63	0	0	0	816	1,925
Inter-segment sales revenue and other income	836	849	184	171	15	14	0	0	0	0	0	0	0	0	0	0	-1,035	-1,034	0	0
<b>Total revenue</b>	<b>48,247</b>	<b>56,195</b>	<b>42,142</b>	<b>44,446</b>	<b>26,559</b>	<b>30,083</b>	<b>21,331</b>	<b>11,992</b>	<b>2,196</b>	<b>806</b>	<b>35,069</b>	<b>17,310</b>	<b>2,487</b>	<b>1,094</b>	<b>2,010</b>	<b>0</b>	<b>-1,035</b>	<b>-1,034</b>	<b>179,006</b>	<b>160,893</b>
External expenses	-43,637	-41,765	-40,103	-37,622	-25,163	-21,210	-26,233	-10,682	-3,279	-2,319	-37,657	-17,110	-11,085	-2,559	-3,566	-48	0	0	-190,722	-133,315
Inter-segment expenses	-36	-19	-159	-217	-107	-200	-252	-122	-31	-43	-230	-217	-334	-216	-169	0	1,318	1,033	0	0
<b>Total expenses</b>	<b>-43,673</b>	<b>-41,784</b>	<b>-40,262</b>	<b>-37,839</b>	<b>-25,270</b>	<b>-21,410</b>	<b>-26,485</b>	<b>-10,804</b>	<b>-3,310</b>	<b>-2,362</b>	<b>-37,886</b>	<b>-17,327</b>	<b>-11,419</b>	<b>-2,775</b>	<b>-3,735</b>	<b>-48</b>	<b>1,318</b>	<b>1,033</b>	<b>-190,722</b>	<b>-133,315</b>
<b>Operating profit</b>	<b>4,574</b>	<b>14,411</b>	<b>1,879</b>	<b>6,607</b>	<b>1,289</b>	<b>8,673</b>	<b>-5,154</b>	<b>1,189</b>	<b>-1,113</b>	<b>-1,556</b>	<b>-2,817</b>	<b>-18</b>	<b>-8,932</b>	<b>-1,681</b>	<b>-1,726</b>	<b>-48</b>	<b>283</b>	<b>0</b>	<b>-11,716</b>	<b>27,577</b>
Net financial items																			-16,792	-453
Income tax expense																			-421	-2,796
<b>Net profit for the period</b>																			<b>-28,929</b>	<b>24,328</b>

## Business segments

	Gaming services		Other services		Eliminations		Consolidated	
(In thousands of Estonian kroons)	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007
Sales revenue from external customers	690,907	767,401	31,443	34,905	0	0	722,350	802,306
Inter-segment sales revenue and other income	5,304	1,301	19,596	51,542	-24,900	-52,843	0	0
<b>Total sales revenue</b>	<b>696,211</b>	<b>768,702</b>	<b>51,039</b>	<b>86,447</b>	<b>-24,900</b>	<b>-52,843</b>	<b>722,350</b>	<b>802,306</b>

	Gaming services		Other services		Eliminations		Consolidated	
(In thousands of Estonian kroons)	2008	2007	2008	2007	2008	2007	2008	2007
Sales revenue from external customers	2,650,876	2,359,100	137,197	128,198	0	0	2,788,073	2,487,298
Inter-segment sales revenue and other income	18,082	5,698	73,777	102,214	-91,859	-107,912	0	0
<b>Total sales revenue</b>	<b>2,668,958</b>	<b>2,364,798</b>	<b>210,974</b>	<b>230,412</b>	<b>-91,859</b>	<b>-107,912</b>	<b>2,788,073</b>	<b>2,487,298</b>

## Business segments

	Gaming services		Other services		Eliminations		Consolidated	
(In thousands of euro)	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007
Sales revenue from external customers	44,157	49,046	2,010	2,231	0	0	46,167	51,277
Inter-segment sales revenue and other income	339	83	1,252	3,294	-1,591	-3,377	0	0
<b>Total sales revenue</b>	<b>44,496</b>	<b>49,129</b>	<b>3,262</b>	<b>5,525</b>	<b>-1,591</b>	<b>-3,377</b>	<b>46,167</b>	<b>51,277</b>

	Gaming services		Other services		Eliminations		Consolidated	
(In thousands of euro)	2008	2007	2008	2007	2008	2007	2008	2007
Sales revenue from external customers	169,422	150,774	8,768	8,193	0	0	178,190	158,967
Inter-segment sales revenue and other income	1,156	364	4,715	6,533	-5,871	-6,897	0	0
<b>Total sales revenue</b>	<b>170,578</b>	<b>151,138</b>	<b>13,484</b>	<b>14,726</b>	<b>-5,871</b>	<b>-6,897</b>	<b>178,190</b>	<b>158,967</b>

## Note 8. Subsidiaries

	Domicile	Ownership interest		Core activity	Shareholder
		31 Dec 08	31 Dec 07		
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	95%	95%	Casino tourism	Olympic Casino Eesti
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions	OEG
Jokker-Pokker OÜ	Estonia	95%	95%	In liquidation	Olympic Casino Eesti
Casinova OÜ	Estonia	100%	100%	In liquidation	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	0%	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 . The juridical merger was completed on August 12th, as a result of which Faraons SIA was dissolved from Latvian enterprise register.

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)		2008	2007
Related party	Transaction	Purchases	Purchases
Parent company	Lease of business premises	1,110	1,110
<b>Total</b>		<b>1,110</b>	<b>1,110</b>

(In thousands of euro)		2008	2007
Related party	Transaction	Purchases	Purchases
Parent company	Lease of business premises	71	71
<b>Total</b>		<b>71</b>	<b>71</b>

In the 2008, the remuneration of management and supervisory board members with social taxes totalled 10 050,000 kroons (642,000 euros). The corresponding figure for the 2007 was 8,250,000 kroons (527,000 euros).