

Olympic Entertainment Group AS

Consolidated interim financial statements for the 4th quarter and the 12-month period of 2011 (unaudited)

Beginning of reporting period	1 January 2011
End of reporting period	31 December 2011
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Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

Table of Contents

Management report.....	3
Consolidated interim financial statements	11
Consolidated statement of financial position	11
Consolidated statement of comprehensive income	12
Consolidated statement of cash flows.....	13
Consolidated statement of changes in equity.....	14
Notes to the consolidated interim financial statements.....	15
Note 1 Accounting policies.....	15
Note 2 Seasonality of operations	15
Note 3 Discontinued operations.....	16
Note 4 Investment property.....	16
Note 5 Property, plant and equipment	17
Note 6 Intangible assets	17
Note 7 Borrowings.....	17
Note 9 Segment reporting.....	18
Note 10 Transactions with related parties	19
Signatures of the Management Board to the consolidated interim financial statements for the 4 th quarter and 12-month period of 2011	20

Management report

Corporate profile

Olympic Entertainment Group AS with its subsidiaries (hereinafter "Group") is the leading provider of gaming services in the Baltic States (Estonia, Latvia and Lithuania) and it operates casinos in Poland, Slovakia and Belarus.

Olympic Entertainment Group AS is the Group's ultimate holding company, organising the strategic management and financing of the Group. The operations of local casinos are controlled by local subsidiaries which include Olympic Casino Eesti AS in Estonia, Olympic Casino Latvia SIA in Latvia, Olympic Casino Group Baltija UAB in Lithuania, Casino Polonia-Wroclaw Sp. Z.o.o. in Poland, Olympic Casino Slovakia S.r.o in Slovakia and Olympic Casino Bel IP in Belarus. In Estonia, Latvia, Lithuania and Slovakia the Group's non-core activities, such as managing the hotel in Tallinn and managing casino bars, are separated from casino operations and performed by respective specialised legal persons. Most of the Group's casino properties operate under the trademark of Olympic Casino.

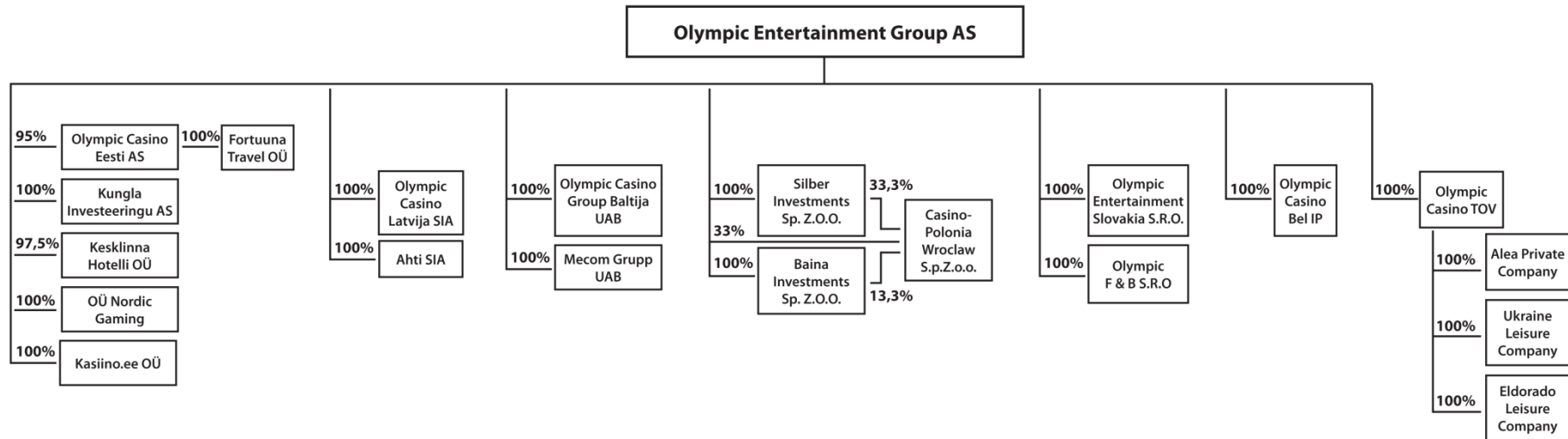
Group entities include:

	Domicile	Ownership 31.12.2011	Ownership 31.12.2010	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Organisation of gaming
Kungla Investeeringu AS	Estonia	100%	100%	Hotel services, catering
Kesklinna Hotelli OÜ	Estonia	97,5%	97,5%	Hotel services
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	95%	95%	Casino tourism
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	100%	100%	Organisation of gaming
Ahti SIA	Latvia	100%	100%	Bar services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Organisation of gaming
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
Silber Investments Sp. Z o.o.	Poland	100%	100%	Holding activities
Baina Investments Sp. Z o.o.	Poland	100%	100%	Holding activities
Casino-Polonia Wroclaw Sp.Z.o.o.	Poland	80%	80%	Organisation of gaming
Olympic Casino Slovakia S.r.o	Slovakia	100%	100%	Organisation of gaming
Olympic F & B S.r.o.	Slovakia	100%	100%	Bar services
Olympic Casino Bel IP	Belarus	100%	100%	Organisation of gaming
Olympic Casino Bucharest S.r.l.	Romania	0%	100%	Organisation of gaming
Muntenia Food Beverage S.r.l	Romania	0%	100%	Bar services
Olympic Exchange S.r.l	Romania	0%	100%	Foreign exchange services
Olympic Casino Ukraine TOV	Ukraine	100%	100%	Bankrupt
Alea Private Company	Ukraine	100%	100%	Bankrupt
Eldorado Leisure Company	Ukraine	100%	100%	Bankrupt
Ukraine Leisure Company	Ukraine	100%	100%	Bankrupt

The Group operates slot and gaming table casinos as well as casino bars at most of the casinos of its subsidiaries. At 31 December 2011, the Group had a total of 61 casinos: 17 in Estonia, 21 in Latvia, 10 in Lithuania, 4 in Poland, 4 in Slovakia and 5 in Belarus. The Group employed 2,336 employees in 6 countries.

The shares of Olympic Entertainment Group AS are listed on the Tallinn and Warsaw Stock Exchanges (OMX: OEG1T / WSE: OEG).

Group's structure at 31 December 2011



Key performance indicators

(in millions of euros)

	2011	2010
Revenue	127.3	112.5
EBITDA	32.0	21.1
Operating profit	16.4	3.1
Net profit	13.8	1.1
EBITDA margin	25.1%	18.8%
Operating margin	12.9%	2.8%
Net margin	10.8%	1.0%
Equity ratio	80.9%	78.7%
Number of casinos at period-end	61	66
Casino area (m ²) at period-end	24,014	25,802
Number of slot machines at period-end	2,471	2,519
Number of gaming tables at period-end	180	182

Underlying formulas:

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

Overview of the Group's key events and developments in the year of 2011:

- In 2011 the consolidated net profit after corporate income tax for the Group totalled 13.8 million euros. In 2010, the Group incurred a net profit of 1.1 million euros.
- The efficiency of the Group's business operations improved. In 2011, the Group's income from gaming transactions and revenues totalled 122.4 million euros, i.e. 9.8% more than for 2010. The number of casinos in operation declined by 5 casinos or 7.6% period-over-period.
- As planned, the Group has increased its market share. At the end of 2011, the Group's market share was 54% in Estonia, 21% in Latvia and 71% in Lithuania. At the end of 2010, its market share was 53% in Estonia, 20% in Latvia and 68% in Lithuania.
- In December the fourth Olympic Casino was opened in Slovakia in the most modern and biggest shopping mall in the city centre of Košice.
- Olympic Entertainment Group AS signed share purchase agreement on 30 April 2011 with an Israeli entrepreneur for selling all the shares in Romanian subsidiaries Olympic Casino Bucharest S.R.L, Muntenia Food and Beverage S.R.L. and Olympic Exchange S.R.L. As of 30 June 2011 shares of Romanian subsidiaries have been registered to the buyer.
- On 27 May 2011 and 18 August 2011, the decrease of share capital and the conversion of share capital of Olympic Entertainment Group AS into euros were entered into the Commercial Register based on the resolutions adopted by the General Meeting of Shareholders of the Company held on 5 May 2011. The new amount of the registered share capital of the Company was 90,797,703 euros, which was divided into 151,329,505 ordinary shares with the nominal value of 0.6 euros. According to the resolutions of the General Meeting of Shareholders held on 5 May 2011, the share capital of the Company was reduced by 9,079,770.30 euros from 90,797,703 euros to 81,717,932.70 euros by reducing the calculated value of the shares. The referred resolution entered into force on the day following to the day, when the reduction of the share capital in relation to the conversion into euros and the amendment of the Articles of Association were entered into the Commercial Register, (i.e. on 28 May 2011) pursuant to the resolutions of the General Meeting.

The Group's consolidated sales revenue for the year of 2011 totalled 122.4 million euros and the revenue totalled 127.3 million euros which is 13.2% more than the total revenue of 112.5 million euros earned within the year of 2010. The Group's EBITDA increased from 21.1 million euros in 2010 to 32.0 million euros in 2011. In 2011, the operating profit totalled 16.4 million euros; in 2010 the operating profit totalled 3.1 million euros.

In 2011, gaming operations accounted for 89.5% and other revenue 10.5% of the Group's consolidated revenue, the respective percentages for 2010 were 92.3% and 7.7%.

Total external income from gaming transactions and revenue

(thousands of euros)	Q4 2011	Change	Percentage	Q4 2010	Percentage
Estonia	8,851	19.7%	26.3%	7,396	24.2%
Latvia	8,706	20.6%	25.9%	7,220	23.7%
Lithuania	5,363	22.6%	15.9%	4,376	14.4%
Poland	7,388	-6.1%	22.0%	7,867	25.8%
Slovakia	2,602	2.2%	7.7%	2,546	8.3%
Belarus	741	-22.4%	2.2%	955	3.1%
Romania*	0	-100.0%	0%	160	0.5%
Total	33,651	10.3%	100.0%	30,520	100.0%

(thousands of euros)	2011	Change	Percentage	2010	Percentage
Estonia	30,784	12.3%	25.1%	27,421	24.6%
Latvia	29,810	21.7%	24.3%	24,498	22.0%
Lithuania	19,277	12.2%	15.8%	17,180	15.4%
Poland	27,566	-0.8%	22.5%	27,783	24.9%
Slovakia	10,838	22.0%	8.9%	8,886	8.0%
Belarus	3,200	0.7%	2.6%	3,178	2.8%
Romania*	954	-62.3%	0.8%	2,529	2.3%
Total	122,429	9.8%	100.0%	111,475	100.0%

* Romanian income from gaming transactions and revenue was recognised until the control was transferred to the new owner as of 30.06.2011.

At the end of 2011, the Group had 61 casinos, with the total floor area of 24,014 m². At the end of 2010, the number of the Group's casinos was 66, and their total floor area was 25,802 m².

Number of casinos by segment

	31.12.2011	31.12.2010
Estonia	17	17
Latvia	21	21
Lithuania	10	11
Poland	4	7
Slovakia	4	3
Belarus	5	5
Romania	0	2
Total	61	66

The Group's consolidated operating expenses for the year of 2011 increased by 1.4% or 1.5 million euros as compared to the respective expenses in 2010. Staff costs increased the most as compared to 2010 of 0.5 million euros, maintenance costs of gaming areas increased by 0.5 million euros and the cost of operating licences and gaming taxes increased by 0.3 million euros.

Staff costs with social security taxes made up the largest share of the Group's operating expenses, i.e. 30.5 million euros, followed by gaming tax expenses of 25.7 million euros, depreciation, amortisation and impairment of 15.7 million euros, rental expenses of 9.7 million euros and marketing expenses of 9.3 million euros.

In 2011, the consolidated net profit after tax totalled 13.8 million euros. In 2010, the consolidated net profit after tax totalled 1.1 million euros.

Overview by markets

Estonian segment

External revenue of the Estonian segment for the year of 2011 totalled 32.8 million euros, of which the income from gaming transactions 27.9 million euros and other income 4.9 million euros. External revenue of the Estonian segment

increased by 18.5% compared to 2010. The market share of Olympic Casino Eesti AS on the Estonian gaming market was 54% at the end of 2011. At the end of 2010, the market share of Olympic Casino Eesti AS was 53%. Total increase in the gaming market in Estonia for the year of 2011 was 6.5% compared to last year.

The EBITDA of the Estonian segment for the year of 2011 totalled 7.1 million euros and the operating profit totalled 3.5 million euros. The EBITDA of the Estonian segment for 2010 totalled 5.4 million euros and the operating profit totalled 0.9 million euros.

At the end of 2011, there were 17 Olympic casinos with 698 slot machines and 20 gaming tables operating in Estonia.

Latvian segment

The external revenue of the Latvian segment for the year of 2011 totalled 29.8 million euros, of which the income from gaming transactions 27.3 million euros and other income 2.5 million euros. External revenue of the Latvian segment increased by 20.2% compared to 2010. The market share of Olympic Casino Latvia SIA on the Latvian gaming market was 21% at the end of 2011. At the end of 2010, the market share of Olympic Casino Latvia SIA was 20%. Total increase in the gaming market in Latvia for the year of 2011 was 16.1% compared to last year.

The EBITDA of the Latvian segment for the year of 2011 totalled 12.7 million euros and the operating profit totalled 9.5 million euros. The EBITDA of the Latvian segment for 2010 totalled 9.0 million euros and the operating profit totalled 4.9 million euros.

At the end of 2011, there were 21 Olympic casinos with 646 slot machines and 24 gaming tables operating in Latvia.

Lithuanian segment

The external revenue of the Lithuanian segment for the year of 2011 totalled 19.3 million euros, of which the income from gaming transactions 17.9 million euros and other income 1.4 million euros. External revenue of the Lithuanian segment increased by 12.5% compared to last year. The market share of Olympic Casino Group Baltija UAB on the Lithuanian gaming market was 71% at the end of 2011. At the end of 2010, the market share of Olympic Casino Group Baltija UAB was 68%. Total increase in the gaming market in Lithuania for the year of 2011 was 7.3% compared to last year.

The EBITDA of the Lithuanian segment for the year of 2011 totalled 4.7 million euros and the operating profit totalled 2.5 million euros. The EBITDA of the Lithuanian segment for 2010 totalled 3.2 million euros and the operating profit totalled 0.9 million euros.

At the end of 2011, there were 10 Olympic casinos with 350 slot machines and 53 gaming tables operating in Lithuania.

Polish segment

The external revenue of the Polish segment for the year of 2011 totalled 30.3 million euros, of which the income from gaming transactions 27.1 million euros and other income 3.2 million euros. External revenue of the Polish segment increased by 8.6% compared to last year.

The EBITDA of the Polish segment for the year of 2011 totalled 6.2 million euros and the operating profit totalled 2.7 million euros. The EBITDA of the Polish segment for 2010 totalled 2.7 million euros and the operating loss totalled 1.8 million euros.

At the end of 2011, there were 4 Olympic casinos with 339 slot machines and 41 gaming tables operating in Poland.

Slovak segment

The external revenue of the Slovak segment for the year of 2011 totalled 10.8 million euros, of which the income from gaming transactions 9.9 million euros and other income 0.9 million euros. External revenue of the Slovak segment increased by 20% compared to last year.

The EBITDA of the Slovak segment for the year of 2011 totalled 1.6 million euros and the operating profit totalled 0.6 million euros. The EBITDA of the Slovak segment for 2010 totalled 1.6 million euros and the operating profit totalled 0.8 million euros.

At the end of 2011, there were 4 Olympic casinos with 205 slot machines and 42 gaming tables operating in Slovakia.

Belarusian segment

In the current interim financial statements the Belarusian segment is recognised as an hyperinflationary economy and applying the IAS 29 accounting principles.

The external revenue of the Belarusian segment for the year of 2011 totalled 3.2 million euros, of which the income from gaming transactions 3.0 million euros and other income 0.2 million euros. External revenue of the Belarusian segment stayed at the same level compared to last year.

The EBITDA of the Belarusian segment for the year of 2011 totalled 0.7 million euros and the operating profit totalled 0.1 million euros. The EBITDA of the Belarusian segment for 2010 totalled 0.9 million euros and the operating profit totalled 0.0 million euros.

At the end of 2011, there were 5 Olympic casinos with 233 slot machines operating in Belarus.

Romanian segment

Olympic Entertainment Group AS signed share purchase agreement on 30 April 2011 with an Israeli entrepreneur for selling all the shares in Romanian subsidiaries Olympic Casino Bucharest S.R.L, Muntenia Food and Beverage S.R.L. and Olympic Exchange S.R.L. As of 30 June 2011 shares of Romanian subsidiaries have been registered to the buyer.

Financial position

At 31 December 2011, the consolidated balance sheet total of the Group was 101.0 million euros (31 December 2010: 107.7 million euros). The balance sheet total decreased by 6.2% in 2011.

Current assets accounted for 46.8 million euros or 46.4% of total assets and non-current assets for 54.1 million euros or 53.6% of total assets. At the balance sheet date, consolidated liabilities totalled 19.3 million euros and the consolidated equity amounted to 81.7 million euros. The largest liability items included borrowings of 6.2 million euros, tax liabilities of 4.4 million euros and payables to employees of 2.9 million euros.

Investments

The Group's expenditures on property, plant and equipment for 2011 totalled 3.8 million euros, of which 2.1 million euros was spent on new gaming equipment, 1.6 million euros was spent on construction and reconstruction of casinos and 0.1 million euros was spent on other property, plant and equipment.

Total expenditures on property, plant and equipment and intangible assets for 2010 totalled 4.4 million euros.

Cash flows

The Group's cash flows generated from operating activities for 2011 totalled 33.9 million euros. Cash flows used in investing activities totalled 11.5 million euros and cash flows used in financing activities totalled 18.1 million euros. Net cash flows totalled 4.2 million euros.

The Group's cash flows generated from operating activities for 2010 totalled 20.1 million euros. Cash flows used in investing activities totalled 0.3 million euros and cash flows used in financing activities totalled 9.3 million euros. Net cash flows totalled 10.5 million euros.

Staff

At 31 December 2011, the Group employed 2,336 people (31 December 2010: 2,397): 525 in Estonia, 484 in Latvia, 607 in Lithuania, 391 in Poland, 214 in Slovakia and 115 in Belarus.

Employee wages and salaries including social security taxes in the Group amounted to 30.5 million euros (2010: 30.0 million euros). The remuneration and benefits of all the members of the Group's Management Board including social security taxes for 2011 totalled 0.56 million euros (2010: 0.52 million euros) and all the members of the Group's Supervisory Board totalled 0.16 million euros (2010: 0.16 million euros).

Overview of the main risks

The risk management policy of the Group is based on the requirements established by regulative bodies, generally accepted practices and internal regulations of the Group. The Group is guided by the principle to manage risks in a manner that ensures an optimal risk to income ratio. As part of the risk management of the Group, all potential risks, their measurement and control are defined, and an action plan is prepared to reduce risks, thereby ensuring the achievement of financial and other strategic objectives of the Company.

Business risks

The macro-economic development of activity markets and related changes in the consumption habits of clients are the factors that influence the Group the most. To manage risks, the Group monitors and analyses the general development of

markets and the activities of competitors, as a result of which the Group will adjust operational activities, including marketing activities, if necessary.

The gaming sector as a whole is significantly influenced by regulative changes and supervisory activities at the state and local level. The Group estimates that the regulative risk is managed by representation of the risk in six different jurisdictions.

Currency risk

The Group earns income in euros, Latvian lats, Lithuanian litas, Belarusian rubles and Polish zloty. Most of the Group's expenses are incurred in these currencies in its operating markets. The changes in exchange rates of these currencies against the euro impact both the Group's revenue and expenses, as a result of which there is no major effect on the Group's operating profit.

Internal transactions of the Group are primarily concluded in euros. The equity of the Group is influenced by a change in the exchange rate of the Belarusian ruble and Polish zloty to the euro. All functional currencies of subsidiaries belonging to OEG group, as well as US dollar (USD), Swiss franc (CHF) and investment gold (XAU), and derivative instruments based on such currencies, can be used for foreign exchange rate risk management. The market value of assets USD, CHF or XAU (including derivative instruments based thereon) in total may not exceed an amount corresponding to 20% of the equity as in the latest audited consolidated balance sheet of OEG group.

The bank loan of the Group is denominated in euros and is not exposed to the currency risk.

Interest rate risk

The Group's term deposits are with fixed interest rates. The Group has invested in Lithuanian Government Bonds, which interest rates are fixed.

The interest rate on the loan assumed by the Group is fixed 3.5% p.a.

Credit risk

The Group's settlements with clients are to a great extent immediately carried out in cash or by payment cards. The Group accepts banks with credit rating A and B where the most of the Group's funds have been deposited. The Group's credit risk is related to the positions of cash, its equivalents and other financial assets.

Management and Supervisory Boards

Until 31 December 2011 the Management Board of Olympic Entertainment Group AS comprised two members: Indrek Jürgenson and Madis Jääger. From 1 January 2012 the Management Board of Olympic Entertainment Group AS comprises three members: Madis Jääger, Meelis Pielberg and Indrek Jürgenson. In the everyday management activities, the Management Board of the Company is independent and is guided by the best interests of all shareholders, thereby ensuring sustainable development of the Company according to the set objectives and strategy. The Management Board also ensures the functioning of internal control and risk management procedures in the Company.

- Madis Jääger – Chairman of the Management Board and CEO since 2012 (member of the Management Board since 2010). Madis Jääger graduated from Estonian Business School in 2002 with a degree in International Business Administration major in accounting and banking *cum laude*. Madis Jääger does not own directly nor by controlled companies any Company's shares.
- Meelis Pielberg – member of the Management Board since 2012. Meelis Pielberg graduated from Estonian Maritime Academy in 2000. Meelis Pielberg owns directly and by controlled companies in total of 27,355 Company's shares.
- Indrek Jürgenson – member of the Management Board since 2009 and head of online operations since 2012. Indrek Jürgenson graduated from Tallinn University in 1998 with a degree in Physics. Indrek Jürgenson owns directly and by controlled companies in total of 9,189 Company's shares.

The Supervisory Board of Olympic Entertainment Group AS comprises four members, the Chairman of the Supervisory Board is Armin Karu and the members of the Supervisory Board are Jaan Korpusov, Liina Linsi and Peep Vain.

- Armin Karu – Chairman of the Supervisory Board since 2008. Armin Karu is the founder of the Company and has graduated from Haaga Institute in Finland (International Management Diploma 1998; MBA 2005). Armin Karu owns directly and by controlled companies in total of 69,414,790 Company's shares.
- Jaan Korpusov – member of the Supervisory Board since 2006. Jaan Korpusov has graduated from University of Tartu in 1985 faculty of history. Jaan Korpusov owns directly and by controlled companies in total of 29,211,910 Company's shares.

- Liina Linsi – member of the Supervisory Board since 2006. Liina Linsi graduated from University of Tartu (law) in 1984 *cum laude*. Liina Linsi owns directly and by controlled companies in total of 16,681 Company's shares.
- Peep Vain – member of the Supervisory Board since 2006. Peep Vain has studied technology in the Tallinn Polytechnic Institute from 1986 to 1987 and market economy in the University of Tartu between 1989 and 1990. He graduated from Bentley College, Massachusetts, US in the field of marketing *cum laude*. Peep Vain owns directly and by controlled companies in total of 36,852 Company's shares.

Shares of Olympic Entertainment Group AS

Olympic Entertainment Group AS is listed in main list of the Tallinn Stock Exchange from 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on the Warsaw Stock Exchange. On 27 May 2011, the decrease of share capital and the conversion of share capital of Olympic Entertainment Group AS into euros were entered into the Commercial Register based on the resolutions adopted by the General Meeting of Shareholders of the Company held on 5 May 2011. The new amount of the registered share capital of the Company was 90,797,703 euros, which is divided into 151,329,505 ordinary shares with the nominal value of 0.6 euros. On 18 August 2011, the decrease of share capital of Olympic Entertainment Group AS was registered in the Commercial Register based on the resolutions adopted by the General Meeting of Shareholders of the Company held on 5 May 2011. The new amount of the registered share capital of the Company is 81,717,932.70 euros, which is divided into 151,329,505 ordinary shares without nominal value and with the calculated value of 0.54 euros per share.

ISIN	EE3100084021
Ticker symbol	OEG1T
Market	BALTIC MAIN LIST
Number of securities issued	151,329,505
Number of listed securities	151,329,505
Listing date	23.10.2006

Movements in the share price (in EUR) and traded volume (number of securities) of Olympic Entertainment Group AS:



Largest shareholders of Olympic Entertainment Group AS at 31 December 2011:

OÜ HANSA ASSETS	45.87%
OÜ HENDAYA INVEST	19.28%
NORDEA BANK FINLAND PLC, CLIENTS	3.07%
Central Securities Depository of Lithuania	2.96%
CITIBANK (LONDON)/ UBS AG LONDON BRANCH-IPB CLIENT ACCOUNT	2.04%
Skandinaviska Enskilda Banken Ab Clients	1.94%
ING LUXEMBOURG S.A.	1.66%
Mellon Treaty Omnibus	1.10%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.10%
BNYM / ING BANK SLAKSI A/C ING PARASOL	1.07%

Consolidated interim financial statements

Consolidated statement of financial position

	Notes	31.12.2011	31.12.2010
ASSETS			
Current assets			
Cash and cash equivalents		33,413	28,960
Financial investments		9,508	3,937
Receivables and prepayments		2,606	4,959
Prepaid income tax		397	734
Inventories		909	1,416
Non-current assets held for sale		0	1,105
Total current assets		46,833	41,111
Non-current assets			
Deferred tax assets		1,111	1,098
Financial investments		2,937	927
Other long-term receivables		712	949
Investment property	4	1,795	1,414
Property, plant and equipment	5	19,754	33,135
Intangible assets	6	27,822	29,062
Total non-current assets		54,131	66,585
TOTAL ASSETS		100,964	107,696
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	7	3,113	3,109
Trade and other payables		9,870	10,782
Income tax payable		1,215	833
Provisions		1,881	1,694
Total current liabilities		16,079	16,418
Non-current liabilities			
Deferred tax liability		90	313
Borrowings	7	3,136	6,231
Total non-current liabilities		3,226	6,544
TOTAL LIABILITIES		19,305	22,962
EQUITY			
Share capital		81,718	96,717
Share premium		14,535	14,535
Statutory reserve capital		2,470	2,413
Other reserves		53	0
Translation reserves		-1,776	740
Accumulated losses		-19,930	-33,703
Total equity attributable to equity holders of the parent		77,070	80,702
Non-controlling interest		4,589	4,032
TOTAL EQUITY		81,659	84,734
TOTAL LIABILITIES AND EQUITY		100,964	107,696

Consolidated statement of comprehensive income

	Notes	Q4 2011	Q4 2010	2011	2010
Continuing operations					
Income from gaming transactions	9	31,359	28,446	113,070	102,008
Revenue	9	2,292	1,914	8,405	6,938
Other income	9	449	451	4,892	910
Total revenue and income		34,100	30,811	126,367	109,856
Cost of materials, goods and services		-786	-721	-2,843	-2,424
Other operating expenses		-15,018	-15,172	-56,911	-55,473
Staff costs		-8,094	-8,034	-29,812	-28,884
Depreciation, amortisation and impairment	3;5;6	-3,250	-4,321	-14,821	-17,068
Change in fair value of investment property	4	166	-36	166	-36
Other expenses		-2,197	-69	-3,861	-233
Total operating expenses		-29,179	-28,353	-107,542	-104,118
Operating profit		4,921	2,458	18,825	5,738
Interest income		79	106	359	300
Interest expense		-83	-140	-435	-694
Foreign exchange gains (losses)		-55	37	107	22
Other finance income and costs		108	-6	480	-34
Total finance income and costs		49	-3	511	-406
Profit from operating activities		4,970	2,455	19,336	5,332
Income tax expense		-905	-1,117	-2,487	-1,536
Net profit for the period from continuing operations		4,065	1,338	16,849	3,796
Net loss for the period from discontinued operations	3	0	-1,429	-2,462	-2,697
Net profit (-loss) for the period		4,065	-91	14,387	1,099
<i>Attributable to equity holders of the parent company</i>		<i>3,796</i>	<i>43</i>	<i>13,830</i>	<i>1,143</i>
<i>Attributable to non-controlling interest</i>		<i>269</i>	<i>-134</i>	<i>557</i>	<i>-44</i>
Other comprehensive income					
Currency translation differences		-30	219	-2,516	715
Total comprehensive profit for the period		4,035	128	11,871	1,814
<i>Attributable to equity holders of the parent company</i>		<i>3,766</i>	<i>262</i>	<i>11,314</i>	<i>1,858</i>
<i>Attributable to non-controlling interest</i>		<i>269</i>	<i>-134</i>	<i>557</i>	<i>-44</i>
Basic earnings (loss) per share*	8	2.5	0.0	9.1	0.7
<i>From continuing operations</i>		<i>2.5</i>	<i>0.1</i>	<i>10.7</i>	<i>2.5</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>-0.1</i>	<i>-1.6</i>	<i>-1.8</i>
Diluted earnings (loss) per share*	8	2.5	0.0	9.1	0.7
<i>From continuing operations</i>		<i>2.5</i>	<i>0.1</i>	<i>10.7</i>	<i>2.5</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>-0.1</i>	<i>-1.6</i>	<i>-1.8</i>

* euro cents

Consolidated statement of cash flows

	Notes	2011	2010
Cash flows from operating activities			
Net profit		14,387	1,099
Adjustments:			
Depreciation, amortisation and impairment	3;5;6	15,724	17,928
Loss on disposal of non-current assets (net)		127	18
Change in fair value of investment property	4	-166	36
Gain on disposal of investment property		0	-2
Income tax expense		2,538	1,618
Other financial income and expenses (net)		-521	419
Changes in working capital:			
Receivables and prepayments		3,114	241
Inventories		507	-517
Non-current assets held for sale		1,105	35
Liabilities and prepayments		-421	254
Interest paid		-440	-701
Corporate income tax paid		-2,093	-256
Net cash generated from operating activities		33,861	20,172
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-4,366	-3,858
Proceeds from sale of property, plant, equipment		289	155
Proceeds from sale of investment property		0	64
Purchase of financial investments		-8,047	0
Proceeds from sale of other financial investments		101	3,009
Proceeds from sale of subsidiaries		177	0
Interest received		329	327
Net cash (used in) from investing activities		-11,517	-303
Cash flows from financing activities			
Proceeds from issuance of shares		0	220
Repayments of loans received	7	-3,109	-9,509
Repayments of finance leases		-3	0
Reduction of share capital paid	8	-14,999	0
Net cash used in financing activities		-18,111	-9,289
Net cash flows		4,233	10,580
Cash and cash equivalents at beginning of the period		28,960	18,283
Exchange gains and losses on cash and cash equivalents		220	97
Cash and cash equivalents at end of the period		33,413	28,960

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent							Non-controlling interest	Total equity
	Share capital	Share premium	Statutory reserve capital	Other reserves	Translation differences	Accumulated losses	Total		
At 31.12.2009	96,507	14,525	2,413	0	25	-34,861	78,609	4,076	82,685
Total comprehensive income for the period	0	0	0	0	715	1,143	1,858	-44	1,814
Options	0	0	0	0	0	15	15	0	15
Proceeds from shares issued	210	10	0	0	0	0	220	0	220
At 31.12.2010	96,717	14,535	2,413	0	740	-33,703	80,702	4,032	84,734
At 31.12.2010	96,717	14,535	2,413	0	740	-33,703	80,702	4,032	84,734
Total comprehensive income for the period	0	0	0	0	-2,516	13,830	11,314	557	11,871
Increase of reserve capital	0	0	57		0	-57	0	0	0
Employees' option program	0	0	0	53	0	0	53	0	53
Reduction of share capital	-14,999	0	0	0	0	0	-14,999	0	-14,999
At 31.12.2011	81,718	14,535	2,470	53	-1,776	-19,930	77,070	4,589	81,659

Notes to the consolidated interim financial statements

Note 1 Accounting policies

Olympic Entertainment Group AS (hereinafter the “Company”) is a company registered in Estonia at 15 November 1999. The consolidated interim financial statements of the Company prepared for the reporting period ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the “Group”).

This condensed consolidated interim financial information was approved by the management for issue on 29 February 2012.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2010 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.

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting” as adopted by the European Union. The condensed consolidated interim financial statements do not include all of the information required by complete set of financial statements and should be read in conjunction with annual consolidated financial statements of the Group as at and for the year ended 31 December 2010.

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 2010, except for the measurement of the Belarusian segment which is to be recognised as an hyperinflationary economy and applying the IAS 29 accounting principles.

At 1 January 2011, the Republic of Estonia joined the euro area and adopted the euro as a national currency, replacing the Estonian kroon. Consequently, the functional currency of the Group is the euro. The financial statements are presented in thousands of euros. Comparative figures are recalculated to euros using the conversion rate of EUR 1 = EEK 15.6466, which is the fixed exchange rate that was applicable also in the earlier periods.

Note 2 Seasonality of operations

Due to the slight seasonal nature of the gaming market, higher revenues are generated in the second half of the year. In the financial year ended 31 December 2011, 47% of the income from gaming transactions accumulated in the first half of the year, with 53% accumulating in the second half.

Note 3 Discontinued operations

Olympic Entertainment Group AS signed share purchase agreement on 30 April 2011 with an Israeli entrepreneur for selling all the shares in Romanian subsidiaries Olympic Casino Bucharest S.R.L, Muntenia Food and Beverage S.R.L. and Olympic Exchange S.R.L. As of 30 June 2011 shares of Romanian subsidiaries have been registered to the buyer.

Romanian segment results are presented in this interim financial information as a discontinued operation.

Consolidated income statement of discontinued operations

	Q4 2011	Q4 2010	2011	2010
Income from gaming transactions	0	0	844	1,809
Revenue	0	160	110	720
Other income	0	18	15	139
Total revenue and income	0	178	969	2,668
Cost of materials, goods and services	0	-354	-38	-271
Other operating expenses	0	-801	-846	-2,919
Staff costs	0	-204	-688	-1,075
Depreciation, amortisation and impairment	0	-186	-1,443	-860
Other expenses	0	-56	-375	-145
Total operating expenses	0	-1,601	-3,390	-5,270
Operating loss	0	-1,423	-2,421	-2,602
Interest income	0	0	0	2
Foreign exchange gains (losses)	0	-5	10	-15
Total finance income and costs	0	-5	10	-13
Loss from operating activities	0	-1,428	-2,411	-2,615
Income tax expense	0	-1	-51	-82
Net loss for the period from discontinuing operations	0	-1,429	-2,462	-2,697

Consolidated statement of cash flows of discontinued operations

	Q4 2011	Q4 2010	2011	2010
Net cash used in operating activities	0	-1,042	-825	-1,658
Net cash from (used in) investing activities	0	3	-1	66
Cash flows from financing activities	0	600	0	840
Net cash flows	0	-439	-826	-752
Cash and cash equivalents at beginning of the period	0	1,261	816	1,585
Exchange gains and losses on cash and cash equivalents	0	-6	10	-17
Cash and cash equivalents at end of the period	0	816	0	816

Note 4 Investment property

	Land	Buildings	Total
At 31.12.2010	1,318	96	1,414
Transfer from property, plant and equipment	0	215	215
Net gain from fair value adjustments on investment property	15	151	166
At 31.12.2011	1,333	462	1,795

Note 5 Property, plant and equipment

	Land and buildings	Renovation expenditures	Plant and equipment	Other PP&E	Under construction	Total
At 31.12.2010	313	12,775	17,542	1,650	855	33,135
Additions	13	387	2,053	133	1,164	3,750
Disposals	-36	0	-681	-11	0	-728
Write-offs from continuing operations	0	-268	-218	-59	0	-545
Write-offs from discontinuing operations	0	0	0	-4	0	-4
Transfer to investment property	-215	0	0	0	0	-215
Reclassifications	0	-135	1,584	116	-1,565	0
Depreciation charge from continuing operations	-29	-3,577	-8,807	-753	0	-13,166
Depreciation charge from discontinuing operations	0	-76	-87	-15	0	-178
Impairment charge from continuing operations	0	0	-150	0	0	-150
Impairment charge from discontinuing operations	0	-992	-10	-183	0	-1,185
Exchange differences	-4	-306	-587	-40	-23	-960
At 31.12.2011	42	7,808	10,639	834	431	19,754

Note 6 Intangible assets

	Goodwill	Software and licences	Total
At 31.12.2010	27,800	1,262	29,062
Additions	0	58	58
Amortisation charge from continuing operations	0	-420	-420
Amortisation charge from discontinuing operations	0	-9	-9
Impairment charge from discontinuing operations	0	-67	-67
Exchange differences	-745	-57	-802
At 31.12.2011	27,055	767	27,822

Note 7 Borrowings

	31.12.2011	31.12.2010
Short-term borrowings		
Current portion of finance lease	4	0
Current portion of long-term debt	3,109	3,109
Total short-term borrowings	3,113	3,109
Long-term borrowings		
Non-current portion of finance lease	13	0
Non-current portion of long-term debt	3,109	6,217
Other borrowings	14	14
Total long-term borrowings	3,136	6,231
Total borrowings	6,249	9,340

Note 8 Equity

On 27 May 2011, the decrease of share capital and the conversion of share capital of Olympic Entertainment Group AS into euros were entered into the Commercial Register based on the resolutions adopted by the General Meeting of Shareholders of the Company held on 5 May 2011. The new amount of the registered share capital of the Company was 90,797,703 euros, which is divided into 151,329,505 ordinary shares with the nominal value of 0.6 euros.

On 18 August 2011, the decrease of share capital of Olympic Entertainment Group AS was registered in the Commercial Register based on the resolutions adopted by the General Meeting of Shareholders of the Company held on 5 May 2011. The new amount of the registered share capital of the Company is 81,717,932.70 euros, which is divided into 151,329,505 ordinary shares without nominal value and with the calculated value of 0.54 euros per share.

The first payment related to reduction of nominal value of the shares occurred on 29 August 2011 in total amount of 5,919,478.35 euros, and the second payment occurred on 21 November 2011 in total amount of 9,079,770.30 euros.

	Q4 2011	Q4 2010	2011	2010
Net profit for the period	3,796	43	13,830	1,143
Weighted average number of shares outstanding (in thousands)	151,329	151,329	151,329	151,098
Basic earnings per share (euro cents)	2.5	0.0	9.1	0.8
Diluted earnings per share (euro cents)	2.5	0.0	9.1	0.8

The calculation of basic earnings per share is based on the net profit attributable to the shareholders of the parent and the weighted average number of shares.

In 2011, share options were granted to the members of the Management Board of Olympic Entertainment Group AS and senior executives of the Group. According to the agreements, a member of the Management Board may subscribe for a maximum of 70,000 Olympic Entertainment Group AS shares; the number of shares to be subscribed by senior executives varies individually. The exact number of the shares that may be subscribed for will depend on the attainment of the Group's financial targets and the individual performance of the member of the Management Board or senior executives. Option holder has the right to subscribe for the shares from 1 July 2014. The expiration date of the entire share option scheme is 1 September 2014.

Note 9 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis on external sales revenue and operating profit. At 31 December 2011, the Group had operations in the Estonian, Latvian, Lithuanian, Polish, Slovak and Belarusian markets.

All segments generate majority of their income from gaming transactions. In addition, Estonian segment is engaged in hotel services. Management estimates that inter-segment transactions have been concluded at market prices and under market conditions.

Q4 2011	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	8,096	8,028	4,970	7,276	2,300	689	31,359
Revenue	787	680	404	111	302	51	2,337
Inter-segment revenue	-32	-2	-11	0	0	0	-45
External revenue	8,851	8,706	5,363	7,388	2,602	741	33,651
Other external revenue	27	1	2	374	0	45	449
Total revenue	8,878	8,707	5,365	7,762	2,602	786	34,100
Total expenses	-8,566	-5,224	-4,713	-6,982	-2,899	-795	-29,179
Incl. depreciation, amortisation and impairment charges	-691	-608	-713	-726	-264	-83	-3,085
Total operating profit (-loss)	312	3,483	652	780	-297	-9	4,921

Q4 2010	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	6,666	6,709	4,074	7,753	2,338	906	28,446
Revenue	777	511	305	117	208	49	1,967
Inter-segment revenue	-47	0	-3	-3	0	0	-53
External revenue	7,396	7,220	4,376	7,867	2,546	955	30,360
Other external revenue	55	195	1	24	156	20	451
Total revenue	7,451	7,415	4,377	7,891	2,702	975	30,811
Total expenses	-6,808	-5,266	-4,284	-8,612	-2,527	-856	-28,353
Incl. depreciation, amortisation and impairment charges	-1,079	-1,032	-666	-1,129	-236	-215	-4,357
Total operating profit (loss)	643	2,149	93	-721	175	119	2,458

2011	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	27,905	27,345	17,902	27,087	9,853	2,978	113,070
Revenue	3,029	2,467	1,394	482	985	222	8,579
Inter-segment revenue	-150	-2	-19	-3	0	0	-174
External revenue	30,784	29,810	19,277	27,566	10,838	3,200	121,475
Other external revenue	2,043	13	43	2,743	1	49	4,892
Total revenue	32,827	29,823	19,320	30,309	10,839	3,249	126,367
Total expenses	-29,323	-20,280	-16,853	-27,615	-10,276	-3,195	-107,542
Incl. depreciation, amortisation and impairment charges	-3,632	-3,110	-2,244	-3,478	-1,042	-609	-14,115
Total operating profit	3,504	9,543	2,467	2,694	563	54	18,825

2010	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	24,895	22,597	16,134	27,329	8,083	2,988	102,008
Revenue	2,694	1,940	1,052	466	803	190	7,145
Inter-segment revenue	-168	-21	-6	-12	0	0	-207
External revenue	27,421	24,498	17,180	27,783	8,886	3,178	108,946
Other external revenue	280	310	3	89	156	75	910
Total revenue	27,701	24,808	17,183	27,872	9,042	3,250	109,856
Total expenses	-26,756	-19,949	-16,291	-29,630	-8,262	-3,230	-104,118
Incl. depreciation, amortisation and impairment charges	-4,451	-4,136	-2,335	-4,429	-864	-889	-17,104
Total operating profit (loss)	945	4,859	892	-1,758	780	20	5,738

Note 10 Transactions with related parties

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

- shareholders with significant influence;
- key management personnel (all the members of the Group's Management and Supervisory Board);
- close family members of and companies related to the above.

Purchase of goods and services

Shareholders with significant influence
Total

2011	2010
73	84
73	84

As at 31.12.2011 and 31.12.2010, there were no balances of receivables and liabilities.

The remuneration and benefits of all the members of the Group's Management Board including social security taxes for 2011 totalled 565 thousand (2010: 516 thousand euros) and all the members of the Group's Supervisory Board totalled 157 thousand euros (2010: 157 thousand euros).

Signatures of the Management Board to the consolidated interim financial statements for the 4th quarter and 12-month period of 2011

The Management Board has prepared the management report and the consolidated interim financial statements of Olympic Entertainment Group AS for the 4th quarter and the 12-month period of 2011.

A stylized, cursive signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Madis Jäger
Chairman of the Management Board

A signature in blue ink, starting with a large 'M' and followed by a series of horizontal and diagonal strokes.

Meelis Pielberg
Member of the Management Board

A signature in blue ink, featuring a large, circular loop at the beginning and a long, sweeping horizontal stroke.

Indrek Jürgenson
Member of the Management Board

29 February 2012