

Olympic Entertainment Group AS

Consolidated interim financial statements for the Q2 and H1 of 2013 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2013
End of reporting period	30 June 2013
Business name	Olympic Entertainment Group AS
Registration number	10592898
Address	Pronksi 19, Tallinn 10124
Telephone	+372 667 1250
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E-mail	info@oc.eu
Website	www.olympic-casino.com
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

*This version of consolidated interim financial statements is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of consolidated interim financial statements takes precedence over this translation.

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Corporate profile

Olympic Entertainment Group AS with its subsidiaries (hereinafter the “Group”) is the leading provider of gaming services in the Baltic States, and operates casinos in Poland, Slovakia, Belarus and Italy.

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 Estonia 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, Olympic Casino Bel IP in Belarus and The Box S.r.l. and Jackpot Game S.r.l. in Italy. Most of the Group’s casino properties operate under the trademark of Olympic Casino. In addition to land-based casinos the Group is also providing online casino services and operating a 4-star hotel and casino complex in Tallinn, Estonia.

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

As at 30 June 2013, the Group had a total of 83 casinos 17 of which were added through acquisition of Latvian casino operator Altea SIA on 28 June 2013. The Group operates 18 casinos in Estonia, 38 (21 casinos till 28 June 2013) in Latvia, 12 in Lithuania, 3 in Poland, 5 in Slovakia, 5 in Belarus and 2 in Italy. The Group employed 2,561 employees in 7 countries including 138 employees added through the acquisition.

Group entities include:

	Domicile	Ownership 30.06.2013	Ownership 31.12.2012	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services
Kungla Investeeringu AS	Estonia	100%	100%	Hotel services, catering
Kesklinna Hotelli OÜ	Estonia	100%	97.5%	Hotel services
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	100%	95%	Casino tourism
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	100%	100%	Gaming services
Ahti SIA	Latvia	100%	100%	Bar services
Altea SIA	Latvia	95%	-	Gaming services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Gaming services
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%	Gaming services
Olympic Casino Slovakia S.r.o.	Slovakia	100%	100%	Gaming services
Olympic F & B S.r.o.	Slovakia	100%	100%	Bar services
Olympic Casino Bel IP	Belarus	100%	100%	Gaming services
The Box S.r.l.	Italy	50%	50%	Gaming services
Jackpot Game S.r.l.	Italy	50%	50%	Gaming services
Siquia Holding B.V.	Holland	95%	-	Holding activities
Jessy Investments B.V.	Holland	100%	-	Holding activities
Gameteck Services Ltd	Jersey	100%	-	Software services
Brandhouse Ltd	Jersey	100%	-	Holding activities
Olympic Casino Ukraine TOV	Ukraine	100%	100%	Bankrupt
Alea Private Company	Ukraine	100%	100%	Bankrupt

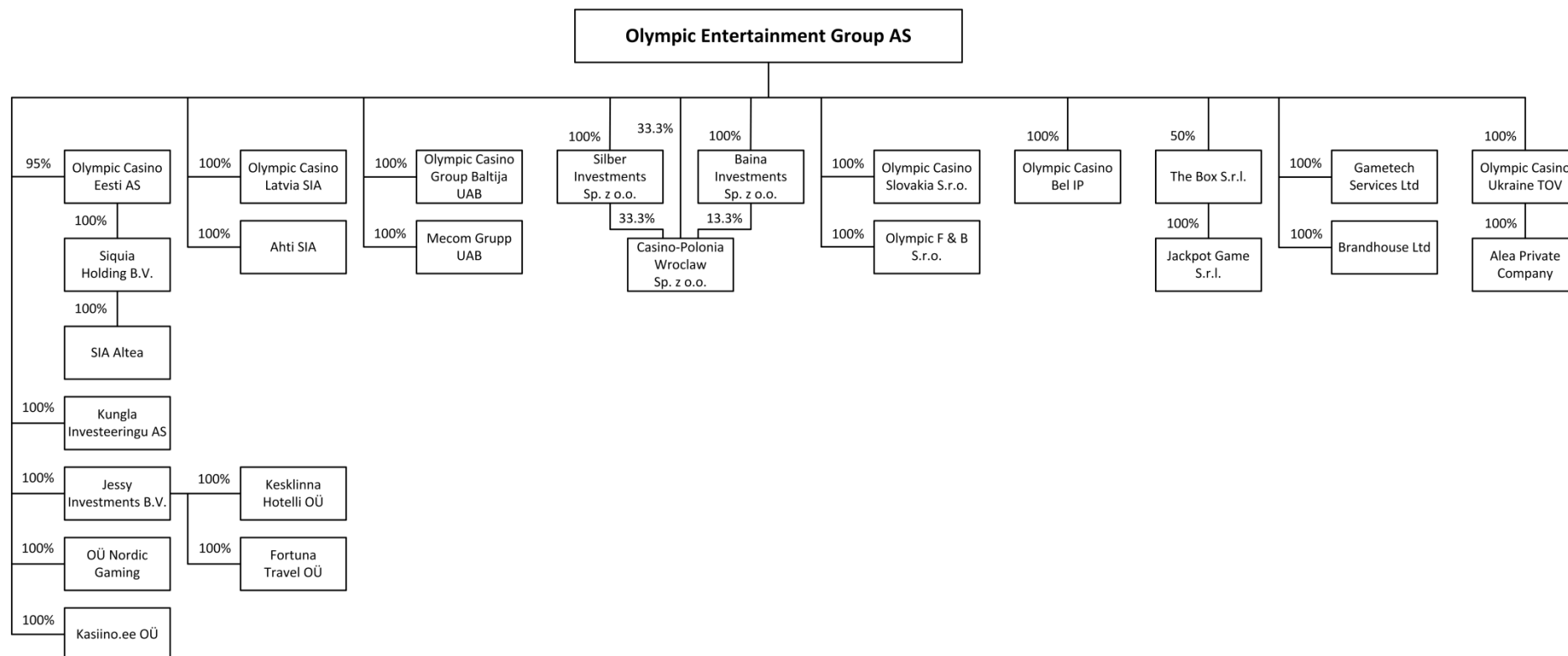
Our vision

To be a global casino and resort operator with a passion for service excellence.

Our mission

To give our guests a customer orientated, secure and safe environment with the finest design and craftsmanship, unparalleled in the industry and supported by the excellence of our name and reputation.

Group's structure at 30 June 2013



Declaration of the management

The members of the management confirm that according to their best knowledge, the interim financial statements, prepared in accordance with the accounting standards in force, give a true and fair view of the assets, liabilities, financial position and profit or loss of Olympic Entertainment Group AS and the Group entities involved in the consolidation as a whole, and the management report gives a true and fair view of the development and results of the business activities and financial position of Olympic Entertainment Group AS and the Group entities involved in the consolidation as a whole and contains a description of the main risks and doubts.

A blue ink signature of Madis Jäger, consisting of stylized, overlapping loops and a long horizontal stroke at the end.

Madis Jäger
Chairman of the Management Board

A blue ink signature of Meelis Pielberg, featuring a large, bold initial 'M' followed by several horizontal strokes.

Meelis Pielberg
Member of the Management Board

29 July 2013

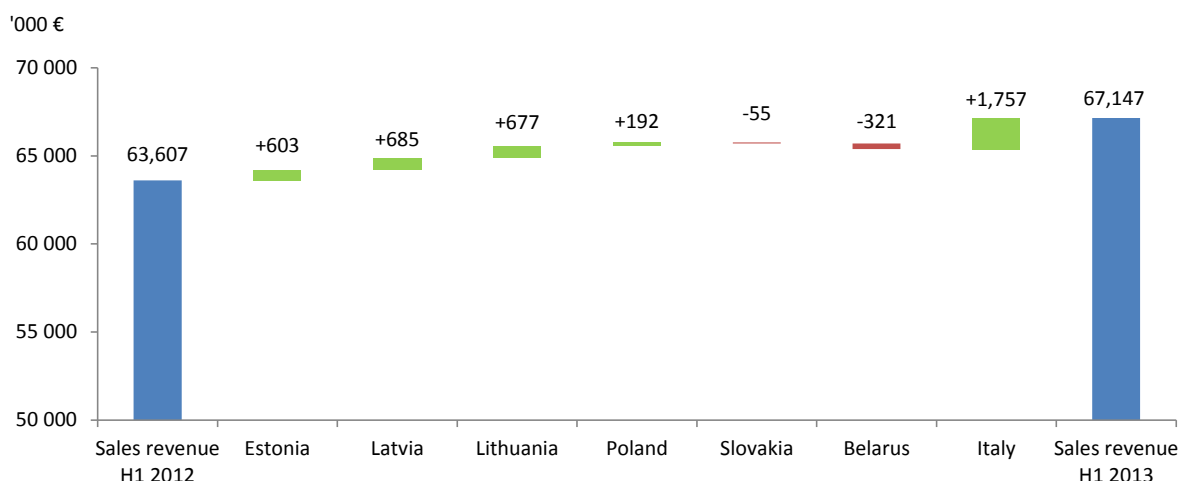
Management report

Overview of the economic activities

Key developments of the Group during the first half-year of 2013:

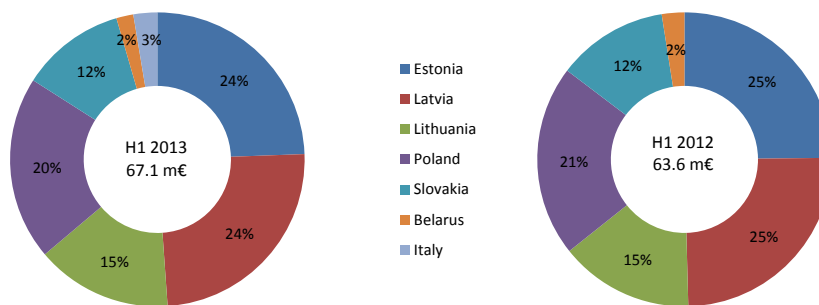
- The Group's consolidated sales revenues for H1 2013 amounted to EUR 67.1 million, up 5.6% or EUR 3.5 million y-o-y.
- Gaming revenues accounted for 93.3% (62.6 m€) and other revenues for 6.7% (4.5 m€) of the Group's consolidated sales revenues for H1 2013. A year before the revenue split was 93.2% and 6.8%, respectively.
- The Group's consolidated EBITDA for H1 2013 amounted to EUR 16.7 million, a drop of 3.6% from EUR 17.3 million a year before. At the same time, the Group's consolidated operating profit increased EUR 0.8 million (+6.4%) to EUR 12.5 million.
- In H1 2013, the consolidated net profit attributable to equity holders of the parent company totalled EUR 9.7 million compared to EUR 10.4 million a year ago.
- On 28 July 2013 Siquia Holding B.V, a subsidiary of Olympic Casino Eesti AS, signed a sales-purchase agreement to acquire 100% shareholding in Latvian casino operator Altea SIA. The transaction increased the number of casinos operated in Latvia from existing 21 to 38.
- As part of the restructuring, Olympic Entertainment Group AS acquired 100% of the shares of the Dutch entity Jessy Investments B.V. and transferred the 100% shareholding in OÜ Fortuna Travel to the acquired entity. In addition, Olympic Entertainment Group AS acquired 100% shareholding in Kesklinna Hotelli OÜ, the share of which was used to increase the share capital of Jessy Investments B.V through non-monetary contribution. The restructuring was completed in June 2013.

The Group's consolidated sales revenues by segments:



The Group's consolidated sales revenues by segments:

'000€	Q2 2013	Q2 2012	Change	H1 2013	H1 2012	Change
Estonia	8,289	8,180	1.3%	16,397	15,794	3.8%
Latvia	8,398	7,767	8.1%	16,428	15,742	4.4%
Lithuania	4,906	4,466	9.9%	10,036	9,359	7.2%
Poland	7,287	7,138	2.1%	13,569	13,376	1.4%
Slovakia	3,787	3,505	8.1%	7,706	7,760	-0.7%
Belarus	563	885	-36.3%	1,254	1,575	-20.4%
Italy	857	-	100.0%	1,757	-	100.0%
Total	34,088	31,940	6.7%	67,147	63,607	5.6%

Share of segments in the Group's sales revenues:

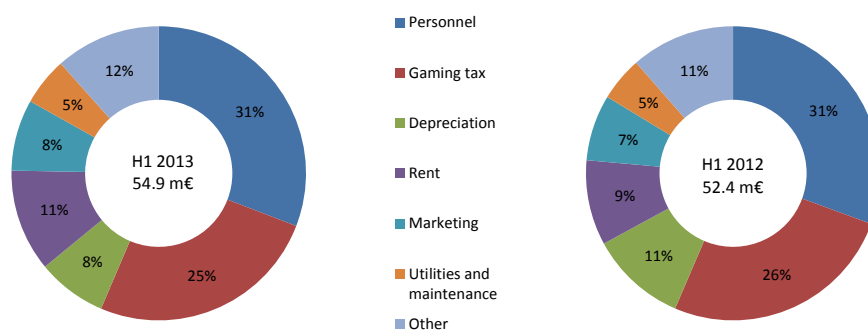
At the end of H1 2013, the Group had 83 casinos (+21 including 17 casinos added through the acquisition of Latvian casino operator Altea SIA in 28 June 2013) with total floor area of 26,235 m² (+2,755 m²).

Number of casinos by segment:

	30 June 2013	30 June 2012
Estonia	18	18
Latvia	38	21
Lithuania	12	10
Poland	3	4
Slovakia	5	4
Belarus	5	5
Italy	2	-
Total	83	62

The Group's consolidated operating expenses for H1 2013 amounted to EUR 54.9 million, up 4.8% or EUR 2.5 million y-o-y. The growth was highest in rent expenses (+1.3 m€, +25.9%), marketing expenses (+0.5 m€, +13.2%) and personnel expenses (+0.9 m€, +5.6%). Amortization and depreciation cost declined the most (-1.4 m€, -24.6%).

Personnel expenses (16.9 m€) and gaming tax (14.0 m€) represented the largest cost items accounting for 56.4% of total operating expenses.



Key performance indicators of the Group

		H1 2013	H1 2012	H1 2011
Revenues	m€	67.4	64.1	61.9
Gaming tax	m€	14.0	13.5	13.1
EBITDA	m€	16.7	17.3	15.0
EBIT	m€	12.5	11.7	5.7
Net profit	m€	9.7	10.4	4.4
EBITDA margin	%	24.7	27.0	24.2
Operating margin	%	18.5	18.3	9.3
Net margin	%	14.3	16.2	7.2
Assets	m€	101.0	109.9	108.2
Equity	m€	84.7	78.1	73.6
ROE	%	12.5	14.6	5.9
ROA	%	9.2	9.5	4.1
Current ratio	times	2.4	1.9	1.7
Casinos at end of period	#	83	62	63
Casino floor area (m2) at end of period	m ²	26,235	23,480	23,076
Employees	#	2,561	2,349	2,004
Slot machines at end of period	#	3,056	2,487	2,441
Gaming tables at end of period	#	189	183	173

Underlying formulas:

- EBITDA = earnings before financial expenses, taxes, depreciation and amortisation and impairment losses
- Operating profit = profit before financial expenses and taxes
- Net profit = net profit for the period less non-controlling interests
- EBITDA margin = EBITDA / revenue
- Operating margin = operating profit / revenue
- Net margin = net profit / revenue
- ROE = net profit / average total equity attributable to the shareholders of the parent company
- ROA = net profit / average total assets
- Current ratio = current assets / current liabilities

Overview by markets

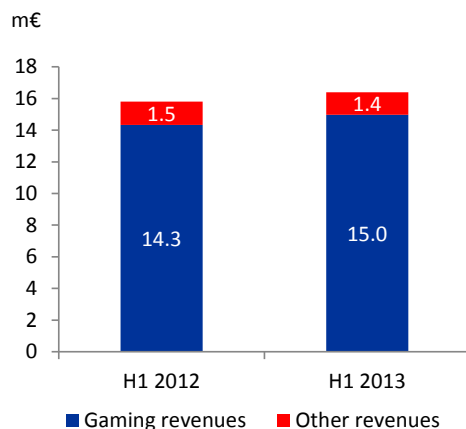
Estonia

The sales revenues of Estonian segment for H1 2013 amounted to EUR 16.4 million (+0.6 m€, +3.8%), EBITDA to EUR 3.6 million (-0.2 m€, -4.7%) and operating profit to EUR 2.8 million (+0.5 m€, +22.4%). Gaming revenue increased 4.5% y-o-y amounting to EUR 15.0 million.

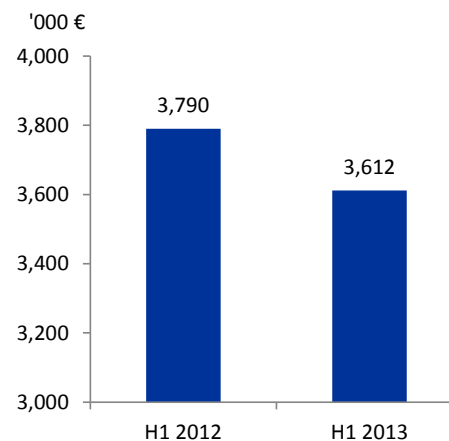
The market share of Olympic Casino Eesti AS in the Estonian land-based gaming market was 56% in H1 2013, up 2% y-o-y. Total Estonian gaming market decreased by 1% as compared to the H1 2012.

At the end of H1 2013, there were 18 Olympic casinos with 741 slot machines and 19 gaming tables operating in Estonia. As at 30 June 2013, the Estonian operations employed 536 people.

Sales revenues



EBITDA



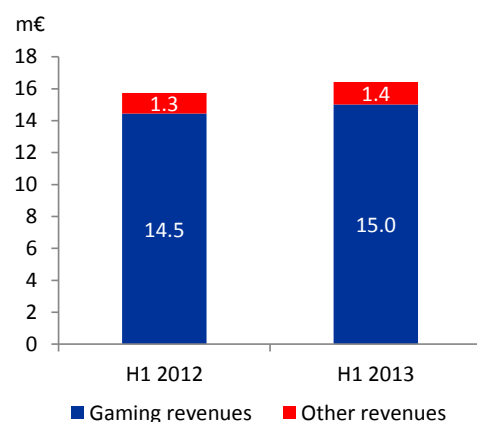
Latvia

The sales revenues of Latvian segment for H1 2013 amounted to EUR 16.4 million (+0.7 m€, +4.4%), EBITDA to EUR 7.1 million (+0.2 m€, +3.4%) and operating profit to EUR 5.9 million (+0.3 m€, +5.0%). Gaming revenue increased 3.9% y-o-y amounting to EUR 15.0 million.

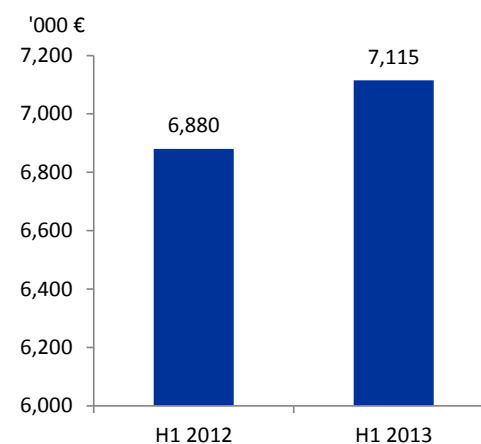
The market share of Olympic Casino Latvia SIA in the Latvian gaming market was 21% in H1 2013 remaining on the same level as year ago. Total Latvian gaming market increased by 2.8% as compared to the H1 2012.

As at the end of H1 2013, there were 38 Olympic casinos with 1,018 slot machines and 18 gaming tables operating in Latvia. Of these, 17 casinos with 345 slot machines were added on 28 June 2013 when the Group acquired 100% shareholding in Latvian casino operator Altea SIA. Out of 17 slot casinos 9 are located in Riga and eight are spread around the country. As at 30 June 2013, there were 652 employees (incl. Altea SIA) in Latvia.

Sales revenues



EBITDA



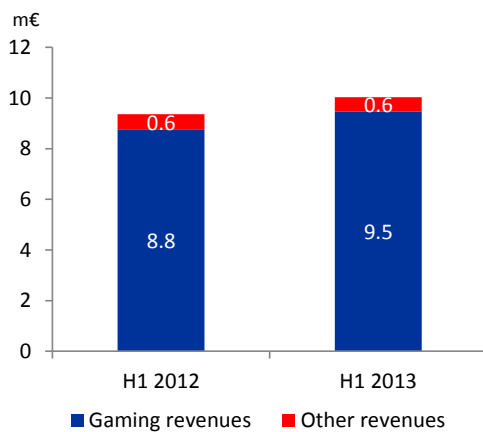
Lithuania

The sales revenues of Lithuanian segment for H1 2013 amounted to EUR 10.0 million (+0.7 m€, +7.2%), EBITDA to EUR 2.0 million (-0.2 m€, -8.6%) and operating profit to EUR 1.2 million (-0.1 m€, -9.0%). Gaming revenue increased 7.9% y-o-y amounting to EUR 9.5 million.

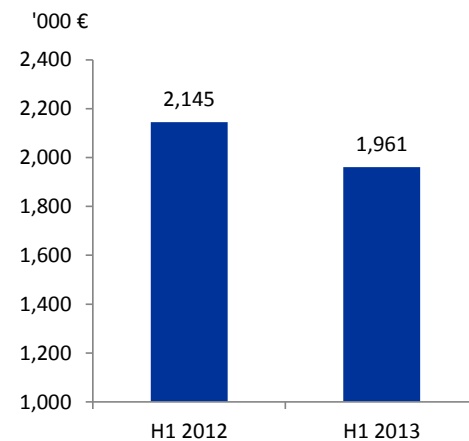
The market share of Olympic Casino Group Baltija UAB in the Lithuanian gaming market was 69% in H1 2013, up from 67% year before. Total Lithuanian gaming market increased by 6% as compared to the H1 2012.

As at the end of H1 2013, there were 12 Olympic casinos with 420 slot machines and 62 gaming tables operating in Lithuania. As at 30 June 2013, the Lithuanian operations employed 651 people.

Sales revenues



EBITDA

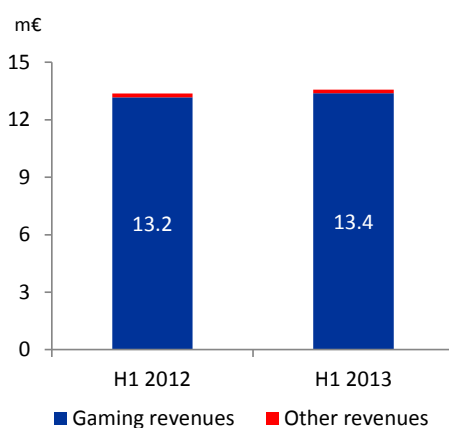


Poland

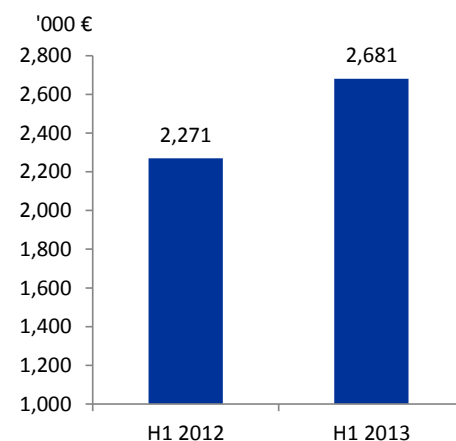
The sales revenues of Polish segment for H1 2013 amounted to EUR 13.6 million (+0.2 m€, +1.4%), EBITDA to EUR 2.7 million (+0.4 m€, +18.1%) and operating profit to EUR 2.0 million (+1.1 m€, +112.8%). Gaming revenue increased 1.6% y-o-y amounting to EUR 13.4 million.

As at the end of H1 2013, there were 3 Olympic casinos with 266 slot machines and 38 gaming tables operating in Poland. As at 30 June 2013, the Polish operations employed 352 people.

Sales revenues



EBITDA

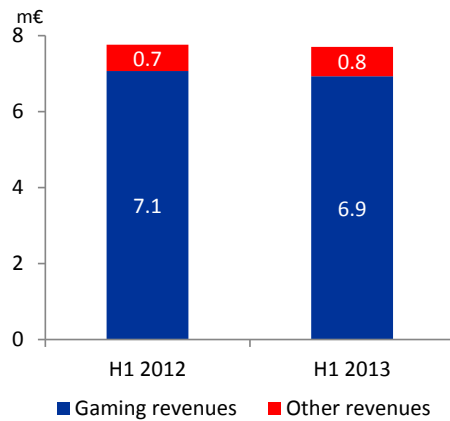


Slovakia

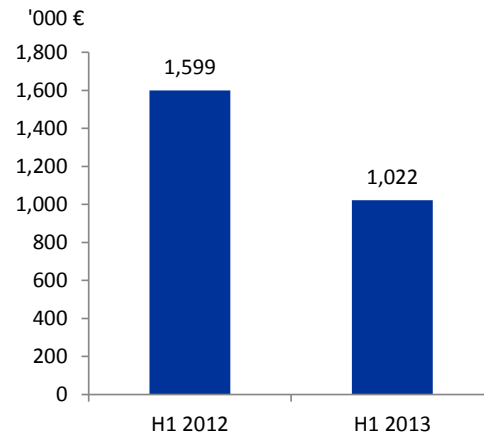
The sales revenues of Slovak segment for H1 2013 amounted to EUR 7.7 million (-0.05 m€, -0.7%), EBITDA to EUR 1.0 million (-0.6 m€, -36.1%) and operating profit to EUR 0.4 million (-0.6 m€, -59.7%). Gaming revenue decreased 1.9% y-o-y amounting to EUR 6.9 million.

As at the end of H1 2013, there were 5 Olympic casinos with 263 slot machines and 52 gaming tables operating in Slovakia. As at 30 June 2013, The Slovak operations employed 264 people.

Sales revenues



EBITDA



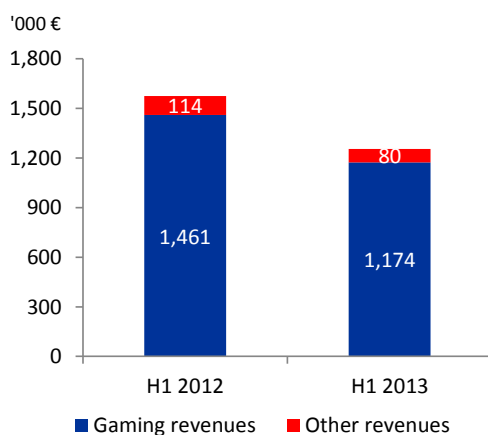
Belarus

In this interim financial statements the Belarusian segment is regarded as a hyperinflationary economy that is subject to the accounting policies of IAS 29.

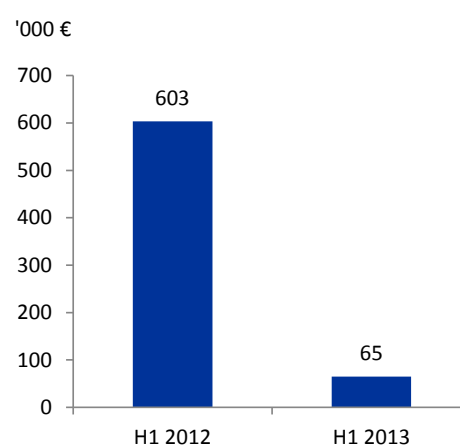
The sales revenues of Belarusian segment for H1 2013 amounted to EUR 1.3 million (-0.3 m€, -20.4%), EBITDA to EUR 0.06 million (-0.5 m€, -89.3%) and operating profit to EUR 0.01 million (-0.4 m€, -97.5%). Gaming revenue decreased 19.6% y-o-y amounting to EUR 1.2 million.

As at the end of H1 2013, there were 5 Olympic casinos with 236 slot machines operating in Belarus. As at 30 June 2013, the Belarusian operations employed 99 people.

Sales revenues



EBITDA



Italy

The sales revenues of Italian segment before deducting the gaming tax of Italy for H1 2013 amounted to EUR 3.7 million, EBITDA to EUR 0.2 million and operating profit to EUR 0.05 million

The Group is operating in Italy since August 2012. As at the end of H1 2013, there were 2 VLT slot casinos with 112 slot machines operating in Italy under the brand of Slottery. As at 30 June 2013, there were 7 employees in Italy.

Financial position

As at 30 June 2013, the total assets of the Group amounted to EUR 101.0 million, down 8.1% or EUR 8.9 million compared to the same period a year ago. The decline in total assets was mostly driven by dividend payment in Q1 2013.

Current assets totalled EUR 38.0 million or 37.6% of total assets, and non-current assets EUR 63.0 million or 62.4% of total assets. The liabilities amounted to EUR 16.3 million and equity to EUR 84.7 million. The largest liabilities included suppliers payable (5.1 m€), tax liabilities (3.5 m€) and payables to employees (3.3 m€).

Investments

In H1 2013, the Group's expenditures on property, plant and equipment totalled EUR 6.1 million (+2.5 m€, +68.3%), of which EUR 3.7 million was invested to new gaming equipment (+2.4m€, +194.1%) and EUR 2.4 million (+0.07 m€, +3.1%) to construction and reconstruction of casinos.

Cash flows

In H1 2013, the Group's cash flows generated from operating activities amounted to EUR 10.7 million (-3.3 m€, -23.9%) and cash flows from investing activities to EUR 2.1 million (+7.7 m€). Financing cash flows amounting to EUR -17.8 million (-16.2 €) were largely impacted by dividend payment in the amount of EUR 17.6 million. Net cash flows totalled EUR -4.9 million (-11.9 m€).

Staff

As at 30 June 2013, the Group employed 2,561 people, up by 212 y-o-y mostly due to opening new casinos in Lithuania and Slovakia as well as expansion in Latvia.

In H1 2013, total personnel expenses amounted to EUR 16.9 million (+0.9 m€, +5.6%). In H1 2013, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 447 thousand (466 thousand in H1 2012) and EUR 78 thousand (EUR 78 thousand in H1 2012), respectively.

Description of 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 Group.

Business risks

The macro-economic development of operated 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 presence in seven different jurisdictions.

Currency risk

The Group earns income in euros, Latvian lats, Lithuanian litas, Polish zloty and Belarusian rubles. 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 revenues 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 Polish zloty and Belarusian ruble to the euro. The functional currencies of subsidiaries within the Group, the US dollar (USD), the Swiss franc (CHF) and investment gold (XAU) as well as the derivative instruments related to the aforementioned currencies may be used to manage currency risks. The market value of USD, CHF or XAU (incl. the respective derivative instruments) may not exceed 20% of the equity according to the last audited consolidated balance sheet of the Group.

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 the credit rating of A and B where the most of the Group's funds have been deposited. Credit risk of the Group is related to cash, its equivalents and other positions of financial assets.

Management and Supervisory Boards

The Management Board of Olympic Entertainment Group AS is comprised of two members. In the daily 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. The Supervisory Board of Olympic Entertainment Group AS elects members of the Management Board for a term of three years.



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 owns neither directly nor through the companies controlled by him any of the Company's shares.



Meelis Pielberg – member of the Management Board and head of land-based casino operations since 2012. Meelis Pielberg graduated from Estonian Maritime Academy in 2000. Meelis Pielberg owns directly and through the companies controlled by him a total of 29,355 Company's shares.

The Supervisory Board of Olympic Entertainment Group AS is comprised of four members. The General Meeting of Shareholders of Olympic Entertainment Group AS elects members of the Supervisory Management Board for five years.

- Armin Karu – Chairman of the Supervisory Board since 2008. Armin Karu is the founder of the Company. He graduated from Haaga Institute in Finland (International Management Diploma 1998; MBA 2005). Armin Karu owns directly and through the companies controlled by him a total of 68,364,790 Company's shares.
- Jaan Korpusev – member of the Supervisory Board since 2006. Jaan Korpusev graduated from University of Tartu in 1985 the faculty of history. Jaan Korpusev owns directly and through the companies controlled by him a total of 28,761,910 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 through the companies controlled by her a total of 16,681 Company's shares.
- Peep Vain – member of the Supervisory Board since 2006. Peep Vain studied radio technology at Tallinn Polytechnic Institute (1986-1987) and business administration at the University of Tartu (1989-1990). He graduated from Bentley College in Massachusetts, USA with a degree in marketing *cum laude*. Peep Vain owns neither directly nor through the companies controlled by him any of the Company's shares.

Shares of Olympic Entertainment Group AS

The shares of Olympic Entertainment Group AS are listed in the main list of Tallinn Stock Exchange since 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on Warsaw Stock Exchange. The Company's registered share capital is EUR 60,531,802. The share capital is divided into 151,329,505 ordinary shares with the book value of EUR 0.40 each.

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 October 2006

Movements in the share price (in EUR) and traded volume (number of securities) of Olympic Entertainment Group AS during the period of 01 January 2010 – 30 June 2013:



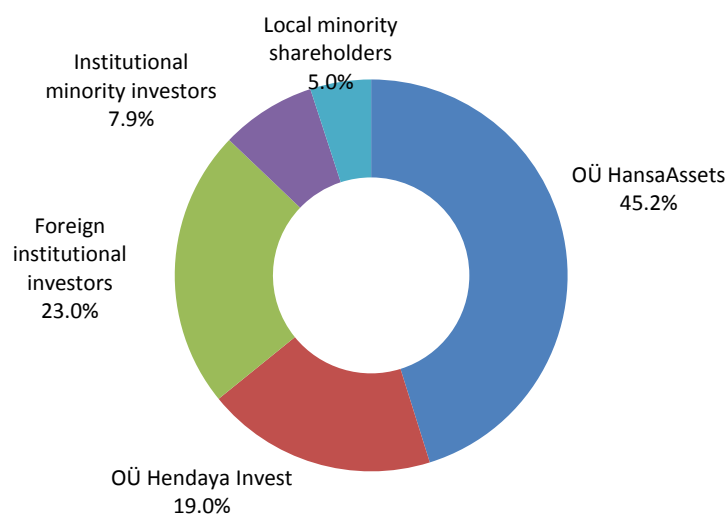
Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2010 – 30 June 2013:



Index/share	01 Jan 2010	30 Jun 2013	+/-%
OMX Baltic Benchmark GI	314.42	616.09	95.94
OMX Tallinn	404.58	812.73	100.88
OEG1T	0.77 EUR	1.82 EUR	136.36

Largest shareholders of Olympic Entertainment Group AS at 30 June 2013:

OÜ HansaAssets	45.17%
OÜ Hendaya Invest	18.98%
CITIBANK (London)/ UBS AG London Branch-IPB client account	3.43%
NORDEA BANK Finland PLC, clients	2.88%
Skandinaviska Enskilda Banken Ab, Swedish Clients	2.49%
Central Securities Depository of Lithuania	1.81%
ING Luxembourg S.A. AIF Account	1.66%
Firebird Republics Fund LTD	1.20%
State Street Bank and Trust Omnibus Account A Fund NO OM01	1.18%
Firebird Avrora Fund, LTD.	1.02%



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	30.06.2013	31.12.2012
ASSETS			
Current assets			
Cash and cash equivalents		30,998	35,973
Financial investments		2,000	13,773
Receivables and prepayments		3,569	2,730
Prepaid income tax		402	280
Inventories		1,006	1,036
Total current assets		37,975	53,792
Non-current assets			
Deferred tax assets		1,028	1,038
Financial investments		3,406	2,035
Other long-term receivables		693	712
Investment property	3	1,785	1,785
Property, plant and equipment	4	21,702	19,611
Intangible assets	5	34,378	30,226
Total non-current assets		62,992	55,407
TOTAL ASSETS		100,967	109,199
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	6	239	241
Trade and other payables		14,372	12,827
Income tax payable		272	827
Provisions		741	1,585
Total current liabilities		15,624	15,480
Non-current liabilities			
Deferred tax liability		154	140
Borrowings	6	482	596
Total non-current liabilities		636	736
TOTAL LIABILITIES		16,260	16,216
EQUITY			
Share capital		60,532	60,532
Statutory reserve capital		1,210	0
Other reserves		188	141
Translation reserves		-1,552	-700
Retained earnings		20,644	27,327
Total equity attributable to equity holders of the parent		81,022	87,300
Non-controlling interest		3,685	5,683
TOTAL EQUITY		84,707	92,983
TOTAL LIABILITIES AND EQUITY		100,967	109,199

Consolidated statement of comprehensive income

	Notes	Q2 2012	Q2 2011	H1 2012	H1 2011
Continuing operations					
Income from gaming transactions	8	31,766	29,625	62,650	59,221
Revenue	8	2,322	2,315	4,497	4,386
Other income	8	23	39	248	523
Total revenue and income		34,111	31,979	67,395	64,130
Cost of materials, goods and services		-742	-692	-1,448	-1,356
Other operating expenses		-16,278	-14,652	-32,247	-29,297
Staff costs		-8,629	-7,996	-16,932	-16,032
Depreciation, amortisation and impairment	4;5	-2,092	-2,667	-4,200	-5,567
Other expenses		-34	-48	-95	-157
Total operating expenses		-27,775	-26,055	-54,922	-52,409
Operating profit		6,336	5,924	12,473	11,721
Interest income		23	80	56	154
Interest expense		-4	-48	-9	-103
Foreign exchange gains (losses)		-57	-31	-52	-45
Other finance income and costs		0	237	-621	523
Total finance income and costs		-38	238	-626	529
Profit from operating activities		6,298	6,162	11,847	12,250
Income tax expense		-891	-737	-1,688	-1,441
Net profit for the period		5,407	5,425	10,159	10,809
<i>Attributable to equity holders of the parent company</i>		<i>5,079</i>	<i>5,236</i>	<i>9,660</i>	<i>10,359</i>
<i>Attributable to non-controlling interest</i>		<i>328</i>	<i>189</i>	<i>499</i>	<i>450</i>
Other comprehensive income					
Currency translation differences		-426	-171	-852	697
Total comprehensive profit for the period		4,981	5,254	9,307	11,506
<i>Attributable to equity holders of the parent company</i>		<i>4,653</i>	<i>5,065</i>	<i>8,808</i>	<i>11,056</i>
<i>Attributable to non-controlling interest</i>		<i>328</i>	<i>189</i>	<i>499</i>	<i>450</i>
Basic earnings per share*	7	3.4	3.5	6.4	6.8
Diluted earnings per share*	7	3.4	3.5	6.4	6.8

* euro cents

Consolidated statement of cash flows

	Notes	H1 2013	H1 2012
Cash flows from operating activities			
Net profit		10,159	10,809
Adjustments:			
Depreciation, amortisation and impairment	4;5	4,200	5,567
Profit / loss on disposal of non-current assets (net)		-18	-65
Income tax expense		1,688	1,441
Other financial income and expenses (net)		626	-529
Changes in working capital:			
Receivables and prepayments		-997	-404
Inventories		30	-114
Liabilities and prepayments		-2,847	-337
Interest paid		-9	-104
Corporate income tax paid		-2,177	-2,271
Net cash generated from operating activities		10,655	13,993
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-5,944	-3,331
Proceeds from sale of property, plant, equipment		49	139
Acquisition of investment property		0	-5
Purchase of financial investments		-1,379	-5,175
Proceeds from sale of other financial investments		11,150	2,696
Acquisition of subsidiary, net of cash acquired		-1,807	0
Interest received		82	160
Net cash used in from investing activities		2,151	-5,516
Cash flows from financing activities			
Repayments of loans received	6	-119	-1,554
Repayments of finance leases		-2	-2
Reduction of share capital paid		0	-10
Dividends paid		-17,630	0
Net cash used in financing activities		-17,751	-1,566
Net cash flows		-4,945	6,911
Cash and cash equivalents at beginning of the period		35,973	33,413
Exchange gains and losses on cash and cash equivalents		-30	-16
Cash and cash equivalents at end of the period		30,998	40,308

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent								
	Share capital	Share premium	Statutory reserve capital	Other reserves	Currency translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31.12.2011	81,718	14,535	2,470	53	-1,776	-19,930	77,070	4,589	81,659
Net profit for the period	0	0	0	0	0	10,359	10,359	450	10,809
Other comprehensive income	0	0	0	0	697	0	697	0	697
Total comprehensive income for the period	0	0	0	0	697	10,359	11,056	450	11,506
Statutory reserve capital	0	0	692	0	0	-692	0	0	0
	0	-14,535	-3,162	0	0	17,697	0	0	0
	-21,186	0	0	0	0	6,053	-15,133	-10	-15,143
Employee option programme	0	0	0	41	0	0	41	0	41
Balance at 31.03.2012	60,532	0	0	94	-1,079	13,487	73,034	5,029	78,063
Balance at 31.12.2012	60,532	0	0	141	-700	27,327	87,300	5,683	92,983
Net profit for the period	0	0	0	0	0	9,660	9,660	499	10,159
Other comprehensive expense	0	0	0	0	-852	0	-852	0	-852
Total comprehensive income for the period	0	0	0	0	-852	9,660	8,808	499	9,307
	0	0	1,210	0	0	-1,210	0	0	0
	0	0	0	0	0	-15,133	-15,133	-2,497	-17,630
Employee option programme	0	0	0	47	0	0	47	0	47
Balance at 30.06.2013	60,532	0	1,210	188	-1,552	20,644	81,022	3,685	84,707

Notes to the consolidated interim financial statements

Note 1 Summary of significant 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 30 June 2013 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 July 2013.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2012 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 2012.

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 2012.

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 2012, 47% of the income from gaming transactions accumulated in the first half of the year, with 53% accumulating in the second half.

Note 3 Investment property

	Land	Buildings	Total
At 31 December 2012	1,299	486	1,785
At 30 June 2013	1,299	486	1,785

Note 4 Property, plant and equipment

	Land and buildings	Renovation expenditures	Machinery & equipment	Other PP&E	Construction in progress	Total
At 31 December 2012	38	7,189	10,355	1,192	837	19,611
Additions	0	944	3,656	148	1,382	6,130
Acquired through business combination	0	18	185	0	2	205
Disposals	0	0	-32	0	0	-32
Write-offs	0	-87	-2	-3	0	-92
Reclassifications	0	605	684	117	-1,406	0
Depreciation charge	-3	-1,118	-2,554	-265	0	-3,940
Exchange differences	-2	-62	-100	-14	-2	-180
At 30 June 2013	33	7,489	12,192	1,175	813	21,702

Note 5 Intangible assets

	Goodwill	Software and licences	Total
At 31 December 2012	29,424	802	30,226
Additions	0	318	318
Acquired through business combination	4,516	1	4,517
Amortisation charge	0	-168	-168
Exchange differences	-500	-15	-515
At 30 June 2013	33,440	938	34,378

Note 6 Borrowings

	30.06.2013	31.12.2012
Short-term borrowings		
Current portion of finance lease	1	3
Current portion of long-term debt	238	238
Total short-term borrowings	239	241
Long-term borrowings		
Non-current portion of finance lease	10	10
Non-current portion of long-term debt	444	563
Other borrowings	28	23
Total long-term borrowings	482	596
Total borrowings	721	837

Jackpot Game S.r.l and Banka Popolare di Milano have concluded the loan agreement with the due date of 31 March 2016. The annual interest rate is 3-month Euribor + 2.0%.

Note 7 Equity

The General Meeting of Shareholders held at 18 April 2013 decided to pay dividends to the shareholders of 0.10 euros per share in the total amount of 15,132,950.50 euros. Dividends shall be paid out to the shareholders on 15 May 2013.

At 27 July 2012, the reduction of share capital of Olympic Entertainment Group AS on the basis adopted by resolution of the General Meeting of Shareholders held at 19 April 2012 was entered in the Commercial Register where it was decided to reduce the share capital of the Company altogether by EUR 21,186,130.70 from EUR 81,717,932.70 to EUR 60,531,802. The share capital was reduced by reducing the book value of the shares from EUR 0.54 to EUR 0.40, whereas the number of the shares remained the same (i.e. 151,329,505). The reduction of share capital in the amount of EUR 15,132,950.50 (EUR 0.10 per share) was paid to the shareholders on 29 October 2012. Upon reducing the share capital, EUR 6,053,180.20 was not paid to the shareholders but was used to cover the accumulated losses.

Earnings per share

	Q2 2012	Q2 2011	H1 2012	H1 2011
Net profit for the period	5,079	5,236	9,660	10,359
Weighted average number of shares outstanding (in thousands)	151,329	151,329	151,329	151,329
Basic earnings per share (euro cents)	3.4	3.5	6.4	6.8
Diluted earnings per share (euro cents)	3.4	3.5	6.4	6.8

Basic earnings per share are calculated by dividing profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period. The calculation of diluted earnings per share also takes into consideration the share options granted to employees.

In 2011, share options were granted to the members of the Management Board of Olympic Entertainment Group AS and the Group's key personnel. According to the agreements, a member of the Management Board may subscribe for up to 70,000 shares in Olympic Entertainment Group AS until the end of the option programme; the numbers of shares that may be subscribed for under the agreements concluded with the Group's key personnel are individually different. The exact number of shares that each member of the Management Board and each employee can subscribe for depends on the attainment of the Group's financial targets and the individual performance of each member of the Management Board or key personnel. The option holders have the right to subscribe for shares from 1 July 2014. The expiration date of the share option programme is 1 September 2014.

Note 8 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 30 June 2013, the Group had operations in the Estonian, Latvian, Lithuanian, Polish, Slovak, Belarusian and Italian 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.

Q2 2013	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	7,517	7,700	4,622	7,195	3,374	526	1,839	32,773
Gaming tax of Italy	0	0	0	0	0	0	-1,007	-1,007
Revenue	823	698	285	93	413	37	26	2,375
Inter-segment revenue	-51	0	-1	-1	0	0	0	-53
External revenue	8,289	8,398	4,906	7,287	3,787	563	858	34,088
Other external revenue	4	12	1	2	1	3	0	23
Total revenue	8,293	8,410	4,907	7,289	3,788	566	858	34,111
Total expenses	-6,859	-5,296	-4,566	-5,984	-3,632	-657	-781	-27,775
Incl. Depreciation, amortisation and impairment losses	-391	-577	-407	-307	-300	-25	-85	-2,092
Total operating profit	1,434	3,114	341	1,305	156	-91	77	6,336

Q2 2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	7,354	7,112	4,177	7,030	3,127	825	0	29,625
Revenue	861	657	289	109	378	60	0	2,354
Inter-segment revenue	-35	-2	0	-1	-1	0	0	-39
External revenue	8,180	7,767	4,466	7,138	3,504	885	0	31,940
Other external revenue	14	11	2	1	0	11	0	39
Total revenue	8,194	7,778	4,468	7,139	3,504	896	0	31,979
Total expenses	-6,956	-5,032	-3,852	-6,354	-3,287	-574	0	-26,055
Incl. Depreciation, amortisation and impairment losses	-716	-577	-408	-599	-304	-63	0	-2,667
Total operating profit	1,238	2,746	616	785	217	322	0	5,924

H1 2013	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	14,967	15,017	9,455	13,382	6,934	1,174	3,704	64,633
Gaming tax of Italy	0	0	0	0	0	0	-1,983	-1,983
Revenue	1,496	1,411	582	188	772	80	36	4,565
Inter-segment revenue	-66	0	-1	-1	0	0	0	-68
External revenue	16,397	16,428	10,036	13,569	7,706	1,254	1,757	67,147
Other external revenue	140	74	2	6	4	22	0	248
Total revenue	16,537	16,502	10,038	13,575	7,710	1,276	1,757	67,395
Total expenses	-13,700	-10,573	-8,836	-11,539	-7,302	-1,265	-1,707	-54,922
Incl. Depreciation, amortisation and impairment losses	-773	-1,187	-759	-645	-614	-53	-169	-4,200
Total operating profit	2,837	5,929	1,202	2,036	408	11	50	12,473

H1 2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	14,298	14,452	8,764	13,176	7,070	1,461	0	59,221
Revenue	1,553	1,295	596	201	690	114	0	4,449
Inter-segment revenue	-57	-4	0	-1	-1	0	0	-63
External revenue	15,794	15,743	9,360	13,376	7,759	1,575	0	63,607
Other external revenue	262	133	21	78	0	29	0	523
Total revenue	16,056	15,876	9,381	13,454	7,759	1,604	0	64,130
Total expenses	-13,738	-10,229	-8,059	-12,498	-6,745	-1,140	0	-52,409
Incl. Depreciation, amortisation and impairment losses	-1,471	-1,234	-823	-1,314	-585	-140	0	-5,567
Total operating profit	2,318	5,647	1,322	956	1,014	464	0	11,721

Note 9 Transactions with related parties

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

- a) shareholders with significant influence;
- b) key management personnel (members of the Management Board and Supervisory Board of Group entities);
- c) close family members of and companies related to the above.

<u>Purchase of goods and services</u>	<u>H1 2013</u>	<u>H1 2012</u>
Shareholders with significant influence	0	35
Total	0	35

As at 30.06.2013 and 31.12.2012, there were no balances of receivables and liabilities.

In H1 2013, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 447 thousand (H1 2012: EUR 466 thousand) and EUR 78 thousand (H1 2012: EUR 78 thousand), respectively.