

Olympic Entertainment Group AS

Consolidated interim financial statements for the 1st quarter of 2013 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2013
End of reporting period	31 March 2013
Business name	Olympic Entertainment Group AS
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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 (Estonia, Latvia and Lithuania), and it 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. In Estonia, Latvia, Lithuania and Slovakia, the Group’s non-core activities, such as managing a hotel in Tallinn and managing casino bars, are separated from casino operations and performed by respective specialised legal entities. Most of the Group’s casino properties operate under the trademark of Olympic Casino.

Group entities include:

	Domicile	Ownership 31.03.2013	Ownership 31.12.2012	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
The Box S.r.l.	Italy	50%	50%	Organisation of gaming
Jackpot Game S.r.l.	Italy	50%	50%	Organisation of gaming
Siquia Holding B.V.	Holland	95%	-	Holding activities
Gametech 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

The Group operates slot and gaming table casinos as well as casino bars at most of the casinos of its subsidiaries. At 31 March 2013, the Group had a total of 66 casinos: 18 in Estonia, 21 in Latvia, 12 in Lithuania, 3 in Poland, 5 in Slovakia, 5 in Belarus and 2 in Italy. The Group employed 2,381 employees in 7 countries.

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

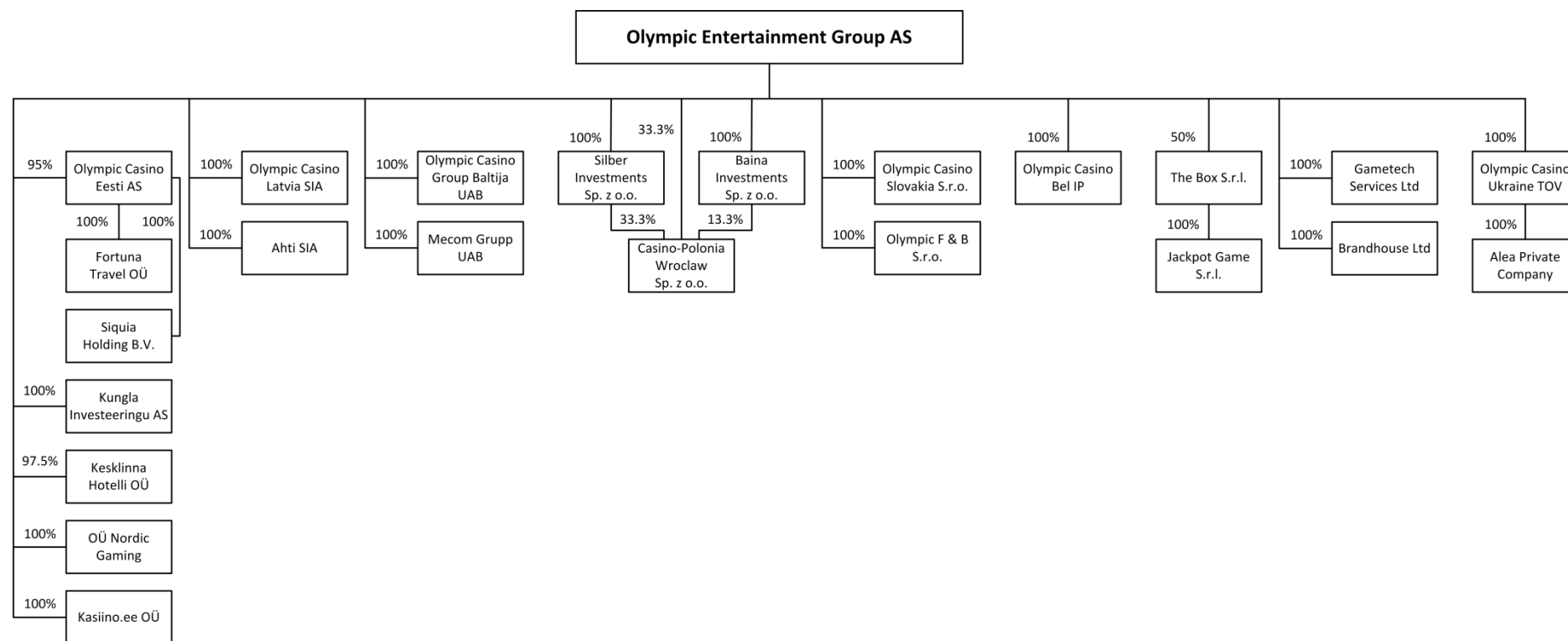
Our vision

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 31 March 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.



Madis Jäger
Chairman of the Management Board



Meelis Pielberg
Member of the Management Board

29 April 2013

Management report

Overview of the economic activities

Key developments of the Group during the Q1 of 2013:

- The Group's consolidated net profit for Q1 2013 totalled EUR 4.6 million compared to EUR 5.1 million in Q1 2012.
- In Q1 of 2013, the Group's income from gaming transactions and revenues totalled EUR 33.1 million, up 4.4% year-over-year. The number of casinos in operation increased by 5 year-over-year.
- On 11 March the subsidiary Olympic Casino Eesti AS of Olympic Entertainment Group AS acquired a 100% shareholding in Siquia Holding B.V. registered in the Netherlands.
- On 11 March 2013 Olympic Entertainment Group AS established and registered the companies Gametech Services Ltd and Brandhouse Ltd in Jersey. The aim of establishing the subsidiaries is to create a legal platform for the expansion of the Group's activities in markets related to remote gambling.
- At the annual general meeting of the shareholders held on 18 April 2013 it was decided to pay a dividend in the total amount of 15,132,950.50 euros, which shall be paid to the shareholders on 15 May 2013.

In Q1 2013, the Group's consolidated sales revenue totalled EUR 33.1 million and the total revenue totalled EUR 33.3 million, up 3.5% compared to the total revenue of EUR 32.2 million earned in Q1 2012. The Group's EBITDA decreased from EUR 8.7 million in Q1 2012 to EUR 8.2 million in Q1 2013. In Q1 2013 the operating profit totalled EUR 6.1 million, in Q1 2012 the operating profit totalled EUR 5.8 million.

In Q1 2013, gaming operations accounted for 92.8% and other revenue 7.2% of the Group's consolidated revenue, the respective percentages for Q1 2012 were 92.1% and 7.9%.

Total external income from gaming transactions and revenue (EUR thousands):

	Q1 2013	Change	Percentage of total	Q1 2012	Percentage of total
Estonia	8,108	6.5%	24.5%	7,614	24.0%
Latvia	8,030	0.7%	24.3%	7,976	25.2%
Lithuania	5,130	4.8%	15.5%	4,894	15.5%
Poland	6,282	0.7%	19.0%	6,238	19.7%
Slovakia	3,919	-7.9%	11.9%	4,255	13.4%
Belarus	691	0.1%	2.1%	690	2.2%
Italy	899	-	2.7%	0	0.0%
Total	33,059	4.4%	100.0%	31,667	100.0%

At the end of Q1 2013, the Group had 66 casinos, with the total floor area of 25,232 m². At the end of Q1 2012, the number of the Group's casinos was 61 and total floor area was 23,418 m².

Number of casinos by segment

	31 March 2013	31 March 2012
Estonia	18	17
Latvia	21	21
Lithuania	12	10
Poland	3	4
Slovakia	5	4
Belarus	5	5
Italy	2	-
Total	66	61

In Q1 2013, the Group's consolidated operating expenses increased by 3.0% or EUR 0.8 million compared to Q1 2012. Compared to Q1 2012 the highest increase was in rental expenses (up EUR 0.7 million) while staff costs including social security taxes increased EUR 0.3 million and marketing expenses EUR 0.3 million. Depreciation, amortisation and impairment losses decreased the most compared to Q1 2012 by EUR 0.8 million.

Staff costs including social security taxes made up the largest share of the Group's operating expenses, i.e. EUR 8.3 million, followed by gaming tax expenses of EUR 6.8 million, rental expenses EUR 3.1 million, marketing expenses of EUR 2.4 million and depreciation, amortisation and impairment losses of EUR 2.1 million.

In Q1 2013, the consolidated net profit attributable to equity holders of the parent company totalled EUR 4.6 million. In Q1 2012, the consolidated net profit attributable to equity holders of the parent company totalled EUR 5.1 million.

Key performance indicators of the Group

(in millions of euros)

	Q1 2013	Q1 2012	Q1 2011
Revenue	33.3	32.2	31.1
EBITDA	8.2	8.7	6.3
Operating profit	6.1	5.8	0.6
Net profit	4.6	5.1	0.2
EBITDA margin	24.8%	27.1%	20.1%
Operating margin	18.4%	18.0%	2.0%
Net margin	13.8%	15.9%	0.6%
ROE	5.1%	6.4%	0.2%
ROA	4.1%	4.9%	0.2%
Current ratio	3.6	2.2	2.9
Number of casinos at year-end	66	61	65
Casino floor area (m ²) at year-end	25,232	23,418	24,658
Number of slot machines at the period end	2,693	2,446	2,494
Number of gaming tables at the period end	184	183	184

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

Estonian segment

In Q1 2013, the external revenue of the Estonian segment totalled EUR 8.2 million, of which the income from gaming transactions totalled EUR 7.5 million and other revenue and income totalled EUR 0.5 million. The external revenue of the Estonian segment increased by 4.9% compared to the Q1 2012. The market share of Olympic Casino Eesti AS in the Estonian gaming market was 54% in Q1 2013 and 54% in Q1 2012. In Q1 2013, the total Estonian gaming market increased by 2.5% as compared to the Q1 2012.

In Q1 2013, EBITDA of the Estonian segment totalled EUR 1.8 million and the operating profit totalled EUR 1.4 million. In Q1 2012, EBITDA of the Estonian segment totalled EUR 1.8 million and the operating profit totalled EUR 1.1 million.

At the end of Q1 2013, there were 18 Olympic casinos with 739 slot machines and 20 gaming tables operating in Estonia.

Latvian segment

In Q1 2013, the external revenue of the Latvian segment totalled EUR 8.1 million, of which the income from gaming transactions totalled EUR 7.3 million and other revenue and income totalled EUR 0.8 million. The external revenue of the Latvian segment was at the same level compared to the Q1 2012. The market share of Olympic Casino Latvia SIA in the Latvian gaming market was 20% in Q1 2013 and 20% in Q1 2012. In Q1 2013, the total Latvian gaming market increased by 2.9% as compared to the Q1 2012.

In Q1 2013, EBITDA of the Latvian segment totalled EUR 3.4 million and the operating profit totalled EUR 2.8 million. In Q1 2012, EBITDA of the Latvian segment totalled EUR 3.6 million and the operating profit totalled EUR 2.9 million.

At the end of Q1 2013, there were 21 Olympic casinos with 673 slot machines and 18 gaming tables operating in Latvia.

Lithuanian segment

In Q1 2013, the external revenue of the Lithuanian segment totalled EUR 5.1 million, of which the income from gaming transactions totalled EUR 4.8 million and other revenue and income totalled EUR 0.3 million. The external revenue of the Lithuanian segment increased by 4.4% compared to the Q1 2012. The market share of Olympic Casino Group Baltija UAB in the Lithuanian gaming market was 69% in Q1 2013 and 68% in Q1 2012. In Q1 2013, the total Lithuanian gaming market increased by 4.0% as compared to the Q1 2012.

In Q1 2013, EBITDA of the Lithuanian segment totalled EUR 1.2 million and the operating profit totalled EUR 0.9 million. In Q1 2012, EBITDA of the Lithuanian segment totalled EUR 1.1 million and the operating profit totalled EUR 0.7 million.

At the end of Q1 2013, there were 12 Olympic casinos with 414 slot machines and 59 gaming tables operating in Lithuania.

Polish segment

In Q1 2013, the external revenue of the Polish segment totalled EUR 6.3 million, of which the income from gaming transactions totalled EUR 6.2 million and other revenue and income totalled EUR 0.1 million. The external revenue of the Polish segment decreased by 0.5% compared to the Q1 2012.

In Q1 2013, EBITDA of the Polish segment totalled EUR 1.1 million and the operating profit totalled EUR 0.7 million. In Q1 2012, EBITDA of the Polish segment totalled EUR 0.9 million and the operating profit totalled EUR 0.2 million.

At the end of Q1 2013, there were 3 Olympic casinos with 266 slot machines and 37 gaming tables operating in Poland.

Slovak segment

In Q1 2013, the external revenue of the Slovak segment totalled EUR 3.9 million, of which the income from gaming transactions totalled EUR 3.6 million and other revenue and income totalled EUR 0.3 million. The external revenue of the Slovak segment decreased by 7.8% compared to the Q1 2012.

In Q1 2013, EBITDA of the Slovak segment totalled EUR 0.6 million and the operating profit totalled EUR 0.3 million. In Q1 2012, EBITDA of the Slovak segment totalled EUR 1.1 million and the operating profit totalled EUR 0.8 million.

At the end of Q1 2013, there were 5 Olympic casinos with 263 slot machines and 50 gaming tables operating in Slovakia.

Belarusian segment

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

In Q1 2013, the external revenue of the Belarusian segment totalled EUR 0.7 million, of which the income from gaming transactions totalled EUR 0.7 million and other revenue and income totalled EUR 0.0 million. The external revenue of the Belarusian segment was at the same level compared to Q1 2012.

In Q1 2013, EBITDA of the Belarusian segment totalled EUR 0.1 million and the operating profit totalled EUR 0.1 million. In Q1 2012, EBITDA of the Belarusian segment totalled EUR 0.2 million and the operating profit totalled EUR 0.1 million.

At the end of Q1 2013, there were 5 Olympic casinos with 226 slot machines operating in Belarus.

Italian segment

In Q1 2013, the external revenue of the Italian segment before deducting the gaming taxes of Italy totalled EUR 1.9 million. In Q1 2013, EBITDA of the Italian segment totalled EUR 0.1 million and the operating loss totalled EUR 0.0 million.

At the end of Q1 2013, there were 2 VLT slot casinos under the brand Slottery with 112 gaming machines operating in Italy.

Financial position

As at 31 March 2013, the total assets of the Group amounted to EUR 113.2 million (31 December 2012: EUR 109.2 million), up 3.6% during the Q1 2013.

Current assets totalled EUR 55.3 million or 48.9% of total assets, and non-current assets totalled EUR 57.9 million or 51.1% of total assets. At the balance sheet date, the liabilities totalled EUR 15.8 million and the equity totalled EUR 97.3 million. The largest liability items included tax liabilities of EUR 4.5 million, payables to employees of EUR 3.5 million and payables to suppliers of EUR 3.3 million.

Investments

In Q1 2013, the Group's expenditures on property, plant and equipment totalled EUR 3.6 million, of which EUR 2.3 million was spent on new gaming equipment and EUR 1.2 million on construction and reconstruction of casinos.

In Q1 2012, expenditures on property, plant and equipment totalled EUR 1.4 million.

Cash flows

In Q1 2013, the Group's cash flows generated from operating activities totalled EUR 4.6 million. Cash flows from investing activities totalled EUR 6.8 million and cash flows used in financing activities totalled EUR 0.1 million. Net cash flows totalled EUR 11.3 million.

In Q1 2012, the Group's cash flows generated from operating activities totalled EUR 8.3 million. Cash flows from investing activities totalled EUR 1.6 million and cash flows used in financing activities totalled EUR 0.8 million. Net cash flows totalled EUR 9.2 million.

Staff

As at 31 March 2013, the Group employed 2,388 people (31 December 2012: 2,277): 524 in Estonia, 493 in Latvia, 640 in Lithuania, 355 in Poland, 268 in Slovakia, 101 in Belarus and 7 in Italy.

In Q1 2013, employee wages and salaries including social security taxes totalled EUR 8.3 million (Q1 2012: EUR 8.0 million). In Q1 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 222 thousand (Q1 2012: EUR 213 thousand) and EUR 39 thousand (Q1 2012: EUR 39 thousand), 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 representation of the risk 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 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 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.

Management and Supervisory Boards

The Management Board of Olympic Entertainment Group AS comprises two members, where the Chairman is Madis Jääger and member is Meelis Pielberg. 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 comprises of four members. The Supervisory Board is chaired by the Chairman Armin Karu; members of the Supervisory Board are Jaan Korpusov, Liina Linsi and Peep Vain. The General Meeting of Shareholders of Olympic Entertainment Group AS elects members of the Supervisory Management Board.

- 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 Korpusov – member of the Supervisory Board since 2006. Jaan Korpusov graduated from University of Tartu in 1985 the faculty of history. Jaan Korpusov 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 from 1986 to 1987 and market economy at the University of Tartu from 1989 to 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

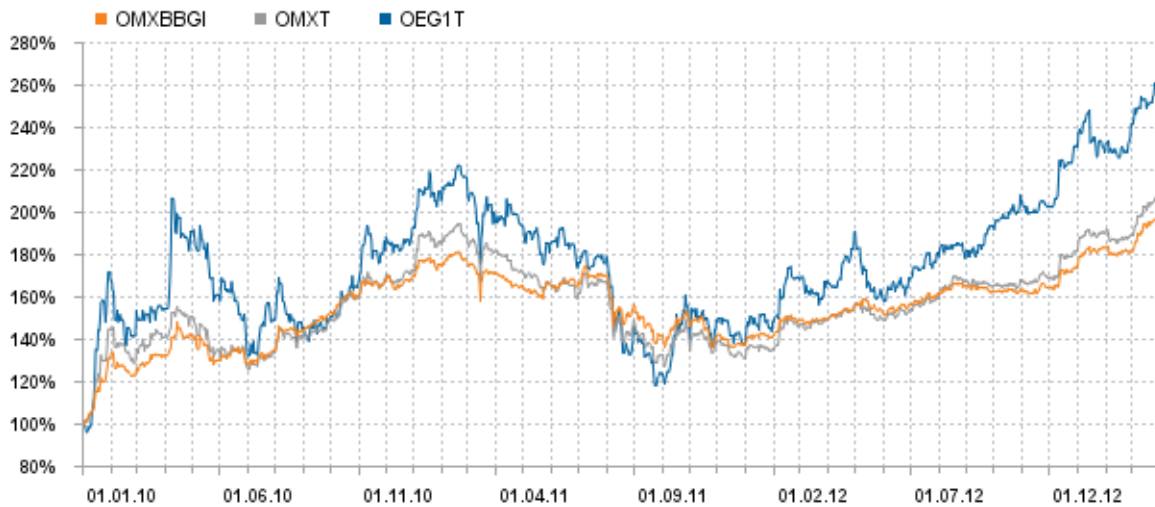
Olympic Entertainment Group AS is listed in main list of the Tallinn Stock Exchange from 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on the Warsaw Stock Exchange. The Company's registered share capital is EUR 60,531,802. The share capital is divided 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 – 31 March 2013:



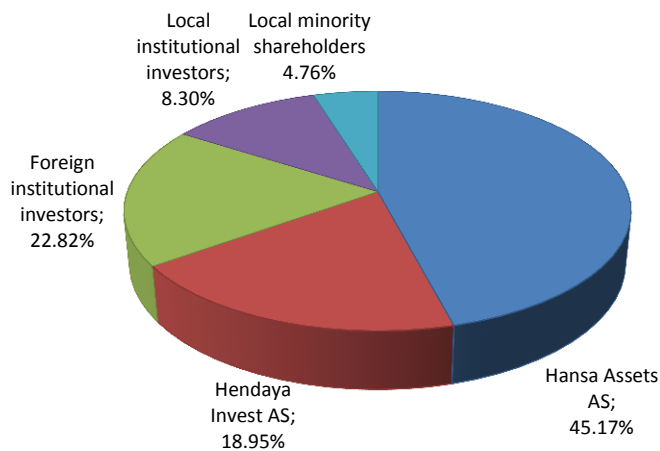
Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2010 – 31 March 2013:



Index/share	01 Jan 2010	31 Mar 2013	+/-%
— OMX Baltic Benchmark GI	314.42	620.05	97.20
— OMX Tallinn	404.58	838.20	107.18
— OEG1T	0.77 EUR	2.01 EUR	161.04

Largest shareholders of Olympic Entertainment Group AS at 31 March 2013:

OÜ HANSA ASSETS	45.17%
OÜ HENDAYA INVEST	18.95%
NORDEA BANK FINLAND PLC, CLIENTS	2.93%
CITIBANK (LONDON)/ UBS AG LONDON BRANCH-IPB CLIENT ACCOUNT	2.68%
Skandinaviska Enskilda Banken Ab, Swedish Clients	2.68%
Central Securities Depository of Lithuania	2.06%
ING LUXEMBOURG S.A.	1.66%
FIREBIRD REPUBLICS FUND LTD	1.20%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.19%
FIREBIRD AVRORA FUND, LTD.	1.02%



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	31.12.2013	31.12.2012
ASSETS			
Current assets			
Cash and cash equivalents		47,301	35,973
Financial investments		2,031	13,773
Receivables and prepayments		4,717	2,730
Prepaid income tax		259	280
Inventories		1,007	1,036
Total current assets		55,315	53,792
Non-current assets			
Deferred tax assets		1,019	1,038
Financial investments		3,401	2,035
Other long-term receivables		731	712
Investment property	3	1,785	1,785
Property, plant and equipment	4	21,008	19,611
Intangible assets	5	29,921	30,226
Total non-current assets		57,865	55,407
TOTAL ASSETS		113,180	109,199
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	6	240	241
Trade and other payables		13,354	12,827
Income tax payable		506	827
Provisions		1,066	1,585
Total current liabilities		15,166	15,480
Non-current liabilities			
Deferred tax liability		143	140
Borrowings	6	539	596
Total non-current liabilities		682	736
TOTAL LIABILITIES		15,848	16,216
EQUITY			
Share capital		60,532	60,532
Other reserves		164	141
Translation reserves		-1,126	-700
Retained earnings		31,907	27,327
Total equity attributable to equity holders of the parent		91,477	87,300
Non-controlling interest		5,855	5,683
TOTAL EQUITY		97,332	92,983
TOTAL LIABILITIES AND EQUITY		113,180	109,199

Consolidated statement of comprehensive income

	Notes	Q1 2013	Q1 2012
Income from gaming transactions	8	30,884	29,596
Revenue	8	2,175	2,071
Other income	8	225	484
Total revenue and income		33,284	32,151
Cost of materials, goods and services		-707	-664
Other operating expenses		-15,968	-14,644
Staff costs		-8,303	-8,035
Depreciation, amortisation and impairment	4;5	-2,108	-2,901
Other expenses		-61	-110
Total operating expenses		-27,147	-26,354
Operating profit		6,137	5,797
Interest income		32	74
Interest expense		-4	-55
Foreign exchange gains (losses)		5	-14
Other finance income and costs		-621	285
Total finance income and costs		-588	290
Profit from operating activities		5,549	6,087
Income tax expense		-797	-703
Net profit for the period		4,752	5,384
<i>Attributable to equity holders of the parent company</i>		<i>4,580</i>	<i>5,122</i>
<i>Attributable to non-controlling interest</i>		<i>172</i>	<i>262</i>
Other comprehensive income			
Currency translation differences		-426	868
Total comprehensive profit for the period		4,326	6,252
<i>Attributable to equity holders of the parent company</i>		<i>4,154</i>	<i>5,990</i>
<i>Attributable to non-controlling interest</i>		<i>172</i>	<i>262</i>
Basic earnings per share*	7	3.0	3.4
Diluted earnings per share*	7	3.0	3.4

* euro cents

Consolidated statement of cash flows

	Notes	Q1 2013	Q1 2012
Cash flows from operating activities			
Net profit		4,752	5,384
Adjustments:			
Depreciation, amortisation and impairment	4;5	2,108	2,901
Profit / loss on disposal of non-current assets (net)		-10	-55
Income tax expense		797	703
Other financial income and expenses (net)		588	-290
Changes in working capital:			
Receivables and prepayments		-2,060	-112
Inventories		29	-16
Liabilities and prepayments		-862	293
Interest paid		-4	-55
Corporate income tax paid		-769	-445
Net cash generated from operating activities		4,569	8,308
Cash flows from investing activities			
Acquisition of property, plant equipment and intangible assets		-3,077	-1,215
Proceeds from sale of property plant equipment		42	139
Purchase of financial investments		-1,379	-91
Proceeds from sale of financial investments		11,150	2,696
Interest received		68	115
Net cash used in from investing activities		6,804	1,644
Cash flows from financing activities			
Repayments of loans received	6	-59	-777
Repayments of finance leases		-1	-1
Net cash used in financing activities		-60	-778
Net cash flows		11,313	9,174
Cash and cash equivalents at beginning of the period		35,973	33,413
Exchange gains and losses on cash and cash equivalents		15	3
Cash and cash equivalents at end of the period		47,301	42,590

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent								Total equity
	Share capital	Share premium	Statutory reserve capital	Other reserves	Currency translation differences	Retained earnings	Total	Non-controlling interest	
Balance at 31.12.2011	81,718	14,535	2,470	53	-1,776	-19,930	77,070	4,589	81,659
<i>Net profit for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,122</i>	<i>5,122</i>	<i>262</i>	<i>5,384</i>
<i>Other comprehensive income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>868</i>	<i>0</i>	<i>868</i>	<i>0</i>	<i>868</i>
Total comprehensive income for the period	0	0	0	0	868	5,122	5,990	262	6,252
Employee option programme	0	0	0	27	0	0	27	0	27
Balance at 31.03.2012	81,718	14,535	2,470	80	-908	-14,808	83,087	4,851	87,938
Balance at 31.12.2012	60,532	0	0	141	-700	27,327	87,300	5,683	92,983
<i>Net profit for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,580</i>	<i>4,580</i>	<i>172</i>	<i>4,752</i>
<i>Other comprehensive expense</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-426</i>	<i>0</i>	<i>-426</i>	<i>0</i>	<i>-426</i>
Total comprehensive income for the period	0	0	0	0	-426	4,580	4,154	172	4,326
Employee option programme	0	0	0	23	0	0	23	0	23
Balance at 31.03.2013	60,532	0	0	164	-1,126	31,907	91,477	5,855	97,332

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 31 March 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 April 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

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At 31 December 2012	1,299	486	1,785
At 31 March 2013	1,299	486	1,785

Note 4 Property, plant and equipment

	<u>Land and buildings</u>	<u>Renovation expenditures</u>	<u>Machinery & equipment</u>	<u>Other PP&E</u>	<u>Construction in progress</u>	<u>Total</u>
At 31 December 2012	38	7,189	10,355	1,192	837	19,611
Additions	0	324	2,292	31	898	3,545
Disposals	0	0	-32	0	0	-32
Write-offs	0	-2	-2	-1	0	-5
Reclassifications	0	7	2	12	-21	0
Depreciation charge	-2	-566	-1,319	-133	0	-2,020
Exchange differences	0	-31	-51	-7	-2	-91
At 31 March 2013	36	6,921	11,245	1,094	1,712	21,008

Note 5 Intangible assets

	<u>Goodwill</u>	<u>Software and licences</u>	<u>Total</u>
At 31 December 2012	29,424	802	30,226
Additions	0	17	17
Amortisation charge	0	-83	-83
Exchange differences	-231	-8	-239
At 31 March 2013	29,193	728	29,921

Note 6 Borrowings

	<u>31.03.2013</u>	<u>31.12.2012</u>
Short-term borrowings		
Current portion of finance lease	2	3
Current portion of long-term debt	238	238
Total short-term borrowings	240	241
Long-term borrowings		
Non-current portion of finance lease	10	10
Non-current portion of long-term debt	504	563
Other borrowings	25	23
Total long-term borrowings	539	596
Total borrowings	779	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

	<u>Q1 2013</u>	<u>Q1 2012</u>
Net profit for the period	4,580	5,122
Weighted average number of shares outstanding (in thousands)	151,329	151,329
Basic earnings per share (euro cents)	3.0	3.4
Diluted earnings per share (euro cents)	3.0	3.4

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 31 March 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.

Q1 2013	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	7,450	7,317	4,833	6,187	3,560	648	1,865	31,860
Gaming tax of Italy	0	0	0	0	0	0	-976	-976
Revenue	673	713	297	95	359	43	10	2,190
Inter-segment revenue	-15	0	0	0	0	0	0	-15
External revenue	8,108	8,030	5,130	6,282	3,919	691	899	33,059
Other external revenue	136	62	1	4	3	19	0	225
Total revenue	8,244	8,092	5,131	6,286	3,922	710	899	33,284
Total expenses	-6,841	-5,277	-4,270	-5,555	-3,670	-608	-926	-27,147
Incl. Depreciation, amortisation and impairment losses	-382	-610	-352	-338	-314	-28	-84	-2,108
Total operating profit (-loss)	1,403	2,815	861	731	252	102	-27	6,137
Q1 2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	6,944	7,340	4,587	6,146	3,943	636	0	29,596
Revenue	692	638	307	92	312	54	0	2,095
Inter-segment revenue	-22	-2	0	0	0	0	0	-24
External revenue	7,614	7,976	4,894	6,238	4,255	690	0	31,667
Other external revenue	248	122	19	77	0	18	0	484
Total revenue	7,862	8,098	4,913	6,315	4,255	708	0	32,151
Total expenses	-6,782	-5,197	-4,207	-6,144	-3,458	-566	0	-26,354
Incl. Depreciation, amortisation and impairment losses	-756	-657	-415	-715	-281	-77	0	-2,901
Total operating profit	1,080	2,901	706	171	797	142	0	5,797

Note 9 Transactions with related parties

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

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

Purchase of goods and services

	Q1 2013	Q1 2012
Shareholders with significant influence	0	18
Total	0	18

As at 31.03.2013 and 31.12.2012, there were no balances of receivables and liabilities.

In Q1 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 222 thousand (Q1 2012: EUR 213 thousand) and EUR 39 thousand (Q1 2012: EUR 39 thousand), respectively.