

Olympic Entertainment Group AS

Consolidated interim financial statements for the 1st half-year and the 2nd quarter of 2011 (unaudited)

Beginning of reporting period	1 January 2011
End of reporting period	30 June 2011
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Website	www.olympic-casino.com
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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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.

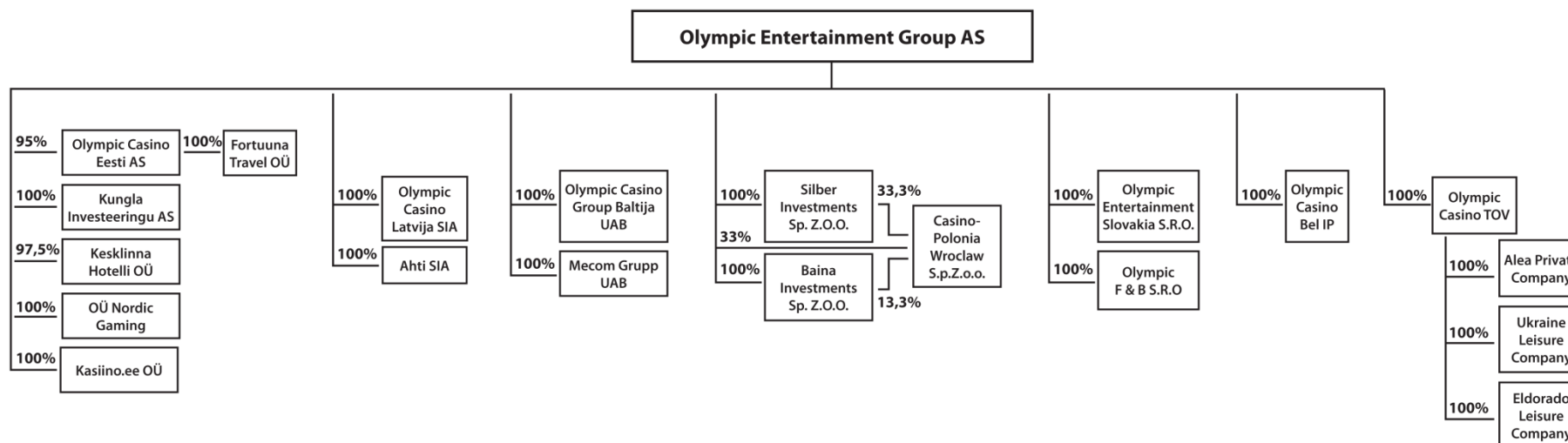
Group entities include:

	Domicile	Ownership 30.06.2011	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 30 June 2011, the Group had a total of 63 casinos: 17 in Estonia, 21 in Latvia, 11 in Lithuania, 6 in Poland, 3 in Slovakia and 5 in Belarus. The Group employed 2,004 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 30 June 2011



Key performance indicators

Discontinued and continuing operations combined (in millions of euros)

	6m 2011	6m 2010
Revenue	61.9	52.9
EBITDA	15.0	8.7
Operating profit	5.7	-0.6
Net profit / (loss)	4.4	-1.2
EBITDA margin	24.2%	16.4%
Operating margin	9.2%	-1.1%
Net margin	7.1%	-2.3%
Equity ratio	68.0%	77.6%
Number of casinos at period-end	63	64
Casino area (m ²) at period-end	23,076	25,409
Number of slot machines at period-end	2,441	2,475
Number of gaming tables at period-end	173	168

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 H1 2011:

- In Q2 2011 the consolidated net profit after corporate income tax for the Group totalled 4.2 million euros. In Q2 2010, the Group incurred a net loss of 0.8 million euros.
- The efficiency of the Group's business operations improved. In Q2 2011, the Group's income from gaming transactions and revenues totalled 28.7 million euros, i.e. 7.9% more than for Q2 2010. The number of casinos in operation declined by 1 casinos or 1.5% period-over-period.
- As planned, the Group increased its market share. At Q2 2011, the Group's market share was 55.2% in Estonia, 20.3% in Latvia and 70.5% in Lithuania. At Q2 2010, its market share was 51.5% in Estonia, 19% in Latvia and 62% in Lithuania.
- 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, 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 is 90,797,703 euros, which is 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 will be further 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.

In H1 2011, the Group's consolidated sales revenue totalled 57.8 million euros and the revenue totalled 61.9 million euros which is 17.0% more than the total revenue of 52.9 million euros earned in H1 2010. The Group's EBITDA increased by 8.7 million euros from H1 2010 to 15.0 million euros in H1 2011. In H1 2011, the operating profit totalled 5.7 million euros, in H1 2010, the operating loss totalled 0.6 million euros.

In H1 2011, gaming operations accounted for 87% and other revenue 13% of the Group's consolidated revenue, the respective percentages for H1 2010 were 93% and 7%.

External sales revenue by segments, continuing operations

(thousands of euros)	Q2 2011	Change	Percentage	Q2 2010	Percentage
Estonia	7,218	10.2%	25.1%	6,549	24.9%
Latvia	6,865	23.4%	23.9%	5,562	21.2%
Lithuania	4,341	-3.8%	15.1%	4,514	17.2%
Poland	6,458	-5.2%	22.5%	6,811	25.9%
Slovakia	3,067	49.2%	10.7%	2,056	7.8%
Belarus	782	4.3%	2.7%	749	2.9%
Total	28,731	9.5%	100.0%	26,241	100.0%

(thousands of euros)	6m 2011	Change	Percentage	6m 2010	Percentage
Estonia	13,708	8.0%	24.1%	12,695	24.8%
Latvia	13,276	18.1%	23.3%	11,243	21.9%
Lithuania	8,757	2.8%	15.4%	8,517	16.6%
Poland	13,981	5.5%	24.6%	13,246	25.9%
Slovakia	5,499	32.6%	9.7%	4,148	8.1%
Belarus	1,660	19.1%	2.9%	1,393	2.7%
Total	56,881	11.0%	100.0%	51,242	100.0%

At the end of Q2 2011, the Group had 63 casinos, with the total area of 23,076 m². At the end of Q2 2010, the number of the Group's casinos was 64, and their total area was 25,409 m².

Number of casinos by segment

	30.06.2011	30.06.2010
Estonia	17	17
Latvia	21	21
Lithuania	11	10
Poland	6	7
Slovakia	3	2
Belarus	5	5
Romania	0	2
Total	63	64

In H1 2011, the Group's consolidated operating expenses before depreciation, amortisation and impairment increased by 6.1% or 2.7 million euros as compared to the respective expenses in H1 2010. Operating licences and gaming taxes increased the most as compared to 2010, 6.3% or 0.8 million euros, staff costs by 2.7% or 0.4 million euros and maintenance costs of gaming areas by 13.5% or 0.3 million euros.

Staff costs with social security taxes made up the largest share of the Group's operating expenses before depreciation, amortisation and impairment losses, i.e. 15.1 million euros, followed by gaming tax expenses of 13.1 million euros, rental expenses of 4.9 million euros and marketing expenses of 4.4 million euros.

In H1 2011, the consolidated net profit after tax totalled 4.4 million euros. In H1 2010, the net loss after tax totalled 1.1 million euros.

Overview by market**Estonian segment**

In H1 2011, external revenue of the Estonian segment totalled 15.7 million euros, of which the gaming revenue 12.4 million euros and other income totalled 3.3 million euros. External revenue of the Estonian segment increased by 22.0% as compared to H1 2010. The increase in the gaming market in Estonia was 0.1% in H1 2011 as compared to H1 2010. The market share of Olympic Casino Eesti AS in the Estonian gaming market was 55.2% at the end of H1 2011. At the end of H1 2010, the market share of Olympic Casino Eesti AS was 51.5%.

In H1 2011, the EBITDA of the Estonian segment was 4.3 million euros and the operating profit was 2.3 million euros. In H1 2010, the EBITDA of the Estonian segment totalled 2.1 million euros and the operating loss totalled 0.2 million euros.

At the end of H1 2011, there were 17 Olympic casinos with 698 slot machines and 20 gaming tables in operation in Estonia.

Latvian segment

In H1 2011, external revenue of the Latvian segment totalled 13.3 million euros, of which the gaming revenue 12.2 million euros and other income totalled 1.1 million euros. External revenue of the Latvian segment increased by 17.7% as compared to H1 2010. The increase in the gaming market in Latvia was 14.6% in H1 2011 as compared to H1 2010. The market share of Olympic Casino Latvia SIA in the Latvian gaming market was 20.3% at the end of H1 2011. At the end of H1 2010, the market share of Olympic Casino Latvia SIA was 19%.

In H1 2011, the EBITDA of the Latvian segment was 5.0 million euros and the operating profit was 3.3 million euros. In H1 2010, the EBITDA of the Latvian segment totalled 3.6 million euros and the operating profit totalled 1.5 million euros.

At the end of H1 2011, there were 21 Olympic casinos with 646 slot machines and 24 gaming tables in operation in Latvia.

Lithuanian segment

In H1 2011, external revenue of the Lithuanian segment totalled 8.8 million euros, of which the gaming revenue 8.2 million euros and other income totalled 0.6 million euros. External revenue of the Lithuanian segment increased by 3.5% as compared to H1 2010. The decline in the gaming market in Lithuania was 4.3% in H1 2011 as compared to H1 2010. The market share of Olympic Casino Group Baltija UAB in the Lithuanian gaming market was 70.5% at the end of H1 2011. At the end of H1 2010, the market share of Olympic Casino Group Baltija UAB was 62%.

In H1 2011, the EBITDA of the Lithuanian segment was 1.8 million euros and the operating profit was 0.8 million euros. In H1 2010, the EBITDA of the Lithuanian segment totalled 1.5 million euros and the operating profit totalled 0.3 million euros.

At the end of H1 2011, there were 11 Olympic casinos with 376 slot machines and 52 gaming tables in operation in Lithuania.

Polish segment

In H1 2011, external revenue of the Polish segment totalled 16.0 million euros, of which the gaming revenue 13.7 million euros and other income totalled 2.3 million euros. External revenue of the Polish segment increased by 20.3% as compared to H1 2010.

In H1 2011, the EBITDA of the Polish segment was 3.3 million euros and the operating profit was 1.2 million euros. In H1 2010, the EBITDA of the Polish segment totalled 1.4 million euros and the operating loss totalled 1.0 million euros.

At the end of H1 2011, there were 6 Olympic casinos with 344 slot machines and 46 gaming tables in operation in Poland.

Slovak segment

In H1 2011, external revenue of the Slovak segment totalled 5.5 million euros, of which the gaming revenue 5.0 million euros and other income totalled 0.5 million euros. External revenue of the Slovak segment increased by 32.5% as compared to H1 2010.

In H1 2011, the EBITDA of the Slovak segment was 1.1 million euros and the operating profit was 0.6 million euros. In H1 2010, the EBITDA of the Slovak segment totalled 0.8 million euros and the operating profit totalled 0.3 million euros.

At the end of H1 2011, there were 3 Olympic casinos with 144 slot machines and 31 gaming tables in operation in Slovakia.

Belarusian segment

In H1 2011, external revenue of the Belarusian totalled 1.7 million euros, of which the gaming revenue 1.5 million euros and other income totalled 0.2 million euros. External revenue of the Belarusian segment increased by 21.4% as compared to H1 2010.

In H1 2011, the EBITDA of the Belarusian segment was 0.3 million euros and the operating loss was 0.0 million euros. In H1 2010, the EBITDA of the Belarusian segment totalled 0.3 million euros and the operating loss totalled 0.1 million euros.

At the end of H1 2011, there were 5 Olympic casinos with 233 slot machines in operation 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.

In H1 2011, external revenue of the Romanian totalled 1.0 million euros, of which the gaming revenue 0.8 million euros and other income totalled 0.2 million euros. External revenue of the Romanian segment declined by 28.6% as compared to H1 2010.

In H1 2011, the EBITDA of the Romanian segment was -1.0 million euros and the operating loss was 2.4 million euros. In H1 2010, the EBITDA of the Romanian segment totalled -1.0 million euros and the operating loss totalled 1.5 million euros.

Financial position

At 30 June 2011, the consolidated balance sheet total of the Group was 108.2 million euros (31 December 2010: 107.7 million euros). The balance sheet total increased by 0.5% in a half-year.

Current assets accounted for 51.4 million euros or 47.5% of total assets and non-current assets for 56.8 million euros or 52.5% of total assets. Intangible assets accounted for 28.7 million euros or 50.5% of non-current assets.

At the balance sheet date, consolidated liabilities totalled 34.6 million euros and the consolidated equity amounted to 73.6 million euros. The largest liability items included the reduction of share capital liability of 15.0 million euros, borrowings of 7.8 million euros, tax liabilities of 4.3 million euros and payables to employees of 2.8 million euros.

Investments

In H1 2011, the Group's expenditures on property, plant and equipment totalled 0.9 million euros, of which 0.2 million euros was spent on reconstruction of casinos, 0.4 million euros was spent on new gaming equipment and 0.2 million euros was spent on other property, plant and equipment.

In H1 2010, total expenditures on property, plant and equipment, and intangible assets were 2.7 million euros.

Cash flows

In H1 2011, the Group's cash flows from operating activities were 14.2 million euros. Cash flows used in investing activities totalled 0.8 million euros and cash flows used in financing activities totalled 1.6 million euros. Net cash flows totalled 11.9 million euros.

In H1 2010, the Group's cash flows from operating activities were 7.0 million euros. Cash flows from investing activities totalled 2.4 million euros and cash flows used in financing activities totalled 8.0 million euros. Net cash flows totalled 1.4 million euros.

Staff

At 30 June 2011, the Group employed 2,004 people (31 December 2010: 2,115): 454 in Estonia, 443 in Latvia, 516 in Lithuania, 350 in Poland, 157 in Slovakia and 84 in Belarus.

In H1 2011, employee wages and salaries including social security taxes in the Group amounted to 15.1 million euros (H1 2010: 14.7 million euros). In H1 2011, the remuneration and benefits of the Group's Supervisory and Management Board including social security taxes totalled 0.18 million euros (H1 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.

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 5.45% 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

The Management Board of Olympic Entertainment Group AS comprises two members: Indrek Jürgenson and Madis Jääger. 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.

- Indrek Jürgenson – member of the Management Board and CEO since 2009. Indrek Jürgenson graduated from Tallinn University in 1998 with a degree in Physics. Indrek Jürgenson owns directly and by controlled companies in total of 689 Company's shares.
- Madis Jääger – member of the Management Board and CFO 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.

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 is 90,797,703 euros, which is 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 will be further 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.

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 as at 30 June 2011:

OÜ HANSA ASSETS	45.87%
OÜ HENDAYA INVEST	19.28%
NORDEA BANK FINLAND PLC/ NON-RESIDENT LEGAL ENTITIES	3.70%
Central Securities Depository of Lithuania	2.88%
CITIBANK (LONDON)/ UBS AG LONDON BRANCH-IPB CLIENT ACCOUNT	2.04%
ING LUXEMBOURG S.A.	1.61%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.48%
FIREBIRD AVRORA FUND, LTD.	1.23%
BNYM / ING BANK SLAKSI A/C ING PARASOL	1.20%
Skandinaviska Enskilda Banken Ab Clients	1.14%

Consolidated interim financial statements

Consolidated statement of financial position

	Notes	30.06.2011	31.12.2010
ASSETS			
Current assets			
Cash and cash equivalents		40,958	28,960
Financial investments		3,796	3,937
Receivables and prepayments		4,121	4,959
Prepaid income tax		671	734
Inventories		1,019	1,416
Non-current assets held for sale		794	1,105
Total current assets		51,359	41,111
Non-current assets			
Deferred tax assets		1,065	1,098
Financial investments		930	927
Other long-term receivables		708	949
Investment property	4	1,414	1,414
Property, plant and equipment	5	24,019	33,135
Intangible assets	6	28,697	29,062
Total non-current assets		56,833	66,585
TOTAL ASSETS		108,192	107,696
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	7	3,109	3,109
Trade and other payables		24,938	10,782
Income tax payable		827	833
Provisions		855	1,694
Total current liabilities		29,729	16,418
Non-current liabilities			
Deferred tax liability		189	313
Borrowings	7	4,676	6,231
Total non-current liabilities		4,865	6,544
TOTAL LIABILITIES		34,594	22,962
EQUITY			
Share capital		81,718	96,717
Share premium		14,535	14,535
Statutory reserve capital		2,470	2,413
Translation reserves		-165	740
Accumulated losses		-29,333	-33,703
Total equity attributable to equity holders of the parent		69,225	80,702
Non-controlling interest		4,373	4,032
TOTAL EQUITY		73,598	84,734
TOTAL LIABILITIES AND EQUITY		108,192	107,696

Consolidated statement of comprehensive income

	Notes	Q2 2011	Q2 2010	6m 2011	6m 2010
Continuing operations					
Income from gaming transactions		26,701	24,519	53,050	48,026
Revenue		2,030	1,722	3,831	3,216
Other income		1,990	171	4,011	308
Total revenue and income		30,721	26,412	60,892	51,550
Cost of materials, goods and services		-671	-551	-1,306	-1,096
Other operating expenses		-14,088	-13,440	-28,267	-26,688
Staff costs		-7,217	-7,092	-14,373	-14,066
Depreciation, amortisation and impairment	5;6	-3,605	-4,720	-7,791	-8,781
Other expenses		-660	-31	-986	-30
Total operating expenses		-26,241	-25,834	-52,723	-50,661
Operating profit		4,480	578	8,169	889
Interest income		78	68	153	131
Interest expense		-117	-169	-244	-403
Foreign exchange gains (losses)		98	5	114	-22
Other finance income and costs		-3	-22	-5	-24
Total finance income and costs		56	-118	18	-318
Profit from operating activities		4,536	460	8,187	571
Income tax expense		-604	-330	-957	-287
Net profit for the period from continuing operations		3,932	130	7,230	284
Net profit (loss) for the period from discontinued operations	3	634	-1,255	-2,462	-1,509
Net profit (loss) for the period		4,566	-1,125	4,768	-1,225
<i>Attributable to equity holders of the parent company</i>		<i>4,245</i>	<i>-760</i>	<i>4,427</i>	<i>-1,104</i>
<i>Attributable to non-controlling interest</i>		<i>321</i>	<i>-365</i>	<i>341</i>	<i>-121</i>
Other comprehensive income					
Currency translation differences		-679	-1,487	-905	-19
Total comprehensive profit (loss) for the period		3,887	-2,612	3,863	-1,244
<i>Attributable to equity holders of the parent company</i>		<i>3,566</i>	<i>-2,247</i>	<i>3,522</i>	<i>-1,123</i>
<i>Attributable to non-controlling interest</i>		<i>321</i>	<i>-365</i>	<i>341</i>	<i>-121</i>
Basic earnings (loss) per share*	8	2.8	-0.5	2.9	-0.7
<i>From continuing operations</i>		<i>2.4</i>	<i>0.3</i>	<i>4.5</i>	<i>0.3</i>
<i>From discontinuing operations</i>		<i>0.4</i>	<i>-0.8</i>	<i>-1.6</i>	<i>-1.0</i>
Diluted earnings (loss) per share*	8	2.8	-0.5	2.9	-0.7
<i>From continuing operations</i>		<i>2.4</i>	<i>0.3</i>	<i>4.5</i>	<i>0.3</i>
<i>From discontinuing operations</i>		<i>0.4</i>	<i>-0.8</i>	<i>-1.6</i>	<i>-1.0</i>

* euro cents

Consolidated statement of cash flows

	Notes	6m 2011	6m 2010
Cash flows from operating activities			
Net profit (loss)		4,768	-1,225
Adjustments:			
Depreciation, amortisation and impairment	5;6	9,234	9,257
Loss on disposal of non-current assets (net)		133	41
Gain on disposal of investment property		0	-2
Other financial income and expenses (net)		-28	305
Changes in working capital:			
Receivables and prepayments		747	-816
Inventories		397	-36
Non-current assets held for sale		311	108
Liabilities and prepayments		-17	8
Interest paid		-246	-411
Corporate income tax paid		-1,074	-230
Net cash from operating activities		14,225	6,999
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-1,307	-925
Proceeds from sale of property, plant, equipment and intangible assets		48	93
Proceeds from sale of investment property		0	64
Proceeds from sale of financial investments		101	3,009
Proceeds from sale of subsidiaries		177	0
Interest received		176	117
Net cash (used in) from investing activities		-805	2,358
Cash flows from financing activities			
Repayments of loans received	7	-1,554	-7,954
Net cash used in financing activities		-1,554	-7,954
Net cash flows			
		11,866	1,403
Cash and cash equivalents at beginning of the period		28,960	18,283
Exchange gains and losses on cash and cash equivalents		132	59
Cash and cash equivalents at end of the period		40,958	19,745

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	Translation differences	Accumulated losses	Total		
At 31.12.2009	96,507	14,525	2,413	25	-34,861	78,609	4,076	82,685
Total comprehensive loss for the period	0	0	0	-19	-1,104	-1,123	-121	-1,244
At 30.06.2010	96,507	14,525	2,413	6	-35,965	77,486	3,955	81,441
At 31.12.2010	96,717	14,535	2,413	740	-33,703	80,702	4,032	84,734
Increase of reserve capital	0	0	57	0	-57	0	0	0
Reduction of share capital	-14,999	0	0	0	0	-14,999	0	-14,999
Total comprehensive income for the period	0	0	0	-905	4,427	3,522	341	3,863
At 30.06.2011	81,718	14,535	2,470	-165	-29,333	69,225	4,373	73,598

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 30 June 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 4 August 2011.

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.

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 usually expected in the second half of the year than the first six months. In the financial year ended 31 December 2010, 47% of gaming revenues 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

	Q2 2011	Q2 2010	6m 2011	6m 2010
Income from gaming transactions	11	0	844	962
Revenue	0	154	110	332
Other income	0	30	15	76
Total revenue and income	11	184	969	1,370
Cost of materials, goods and services	0	-160	-38	-218
Other operating expenses	-188	-703	-846	-1,434
Staff costs	-67	-288	-688	-620
Depreciation, amortisation and impairment	0	-243	-1,443	-476
Other expenses	878	-39	-375	-80
Total operating expenses	623	-1,433	-3,390	-2,828
Operating profit (loss)	634	-1,249	-2,421	-1,458
Interest income	0	0	0	2
Foreign exchange gains (losses)	1	1	10	11
Total finance income and costs	1	1	10	13
Profit from operating activities	635	-1,248	-2,411	-1,445
Income tax expense	-1	-7	-51	-64
Net profit (loss) for the period from discontinuing operations	634	-1,255	-2,462	-1,509

Consolidated statement of cash flows of discontinued operations

	Q2 2011	Q2 2010	6m 2011	6m 2010
Net cash used in operating activities	-382	-1,223	-825	-1,086
Net cash from (used in) investing activities	0	4	-1	64
Net cash flows	-382	-1,219	-826	-1,022
Cash and cash equivalents at beginning of the period	381	1,792	816	1,585
Exchange gains and losses on cash and cash equivalents	1	1	10	11
Cash and cash equivalents at end of the period	0	574	0	574

Note 4 Investment property

	Land	Buildings	Total
At 31.12.2010	1,318	96	1,414
At 30.06.2011	1,318	96	1,414

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	0	245	449	68	125	887
Disposals	-36	0	-681	-10	0	-727
Write-offs from continuing operations	0	-210	-183	-48	0	-441
Write-offs from discontinuing operations	0	0	0	-4	0	-4
Reclassifications	0	-727	970	82	-325	0
Depreciation charge from continuing operations	-15	-1,919	-4,752	-409	0	-7,095
Depreciation charge from discontinuing operations	0	-76	-87	-15	0	-178
Impairment charge from discontinuing operations	0	-992	-10	-183	0	-1,185
Exchange differences	0	-99	-254	-12	-8	-373
At 30.06.2011	262	8,997	12,994	1,119	647	24,019

Note 6 Intangible assets

	Goodwill	Software and licences	Total
At 31.12.2010	27,800	1,262	29,062
Additions	0	26	26
Amortisation charge from continuing operations	0	-255	-255
Amortisation charge from discontinuing operations	0	-9	-9
Impairment charge from discontinuing operations	0	-67	-67
Exchange differences	-52	-8	-60
At 30.06.2011	27,748	949	28,697

Note 7 Borrowings

	30.06.2011	31.12.2010
Short-term borrowings		
Current portion of long-term debt	3,109	3,109
Total short-term borrowings	3,109	3,109
Long-term borrowings		
Non-current portion of long-term debt	4,663	6,217
Other borrowings	13	14
Total long-term borrowings	4,676	6,231
Total borrowings	7,785	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 is 90,797,703 euros, which is 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 will be further 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.

	Q2 2011	Q2 2010	6m 2011	6m 2010
Net profit (loss) for the period	4 245	-761	4 427	-1 104
Weighted average number of shares outstanding (in thousands)	151 329	151 000	151 329	151 000
Basic earnings (loss) per share (euro cents)	2,8	-0,5	2,9	-0,7
Diluted earnings (loss) per share (euro cents)	2,8	-0,5	2,9	-0,7

The calculation of basic earnings (loss) per share is based on the net profit (loss) 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 30 June 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.

Q2 2011	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	6,508	6,281	4,024	6,346	2,814	728	26,701
Revenue	778	584	320	114	253	54	2,103
Inter-segment revenue	-68	0	-3	-2	0	0	-73
External revenue	7,218	6,865	4,341	6,458	3,067	782	28,731
Other external revenue	15	1	0	1,973	1	0	1,990
Total revenue	7,233	6,866	4,341	8,431	3,068	782	30,721
Total expenses	-6,741	-5,046	-3,897	-7,064	-2,565	-928	-26,241
Incl. depreciation, amortisation and impairment charges	-997	-841	-484	-835	-266	-182	-3,605
Total operating profit (loss)	492	1,820	444	1,367	503	-146	4,480

Q2 2010	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	5,901	5,126	4,270	6,692	1,828	702	24,519
Revenue	693	436	246	121	228	47	1,771
Inter-segment revenue	-45	0	-2	-2	0	0	-49
External revenue	6,549	5,562	4,514	6,811	2,056	749	26,241
Other external revenue	86	24	1	25	0	35	171
Total revenue	6,635	5,586	4,515	6,836	2,056	784	26,412
Total expenses	-6,542	-4,910	-4,026	-7,599	-1,957	-800	-25,834
Incl. depreciation, amortisation and impairment charges	-1,133	-1,026	-568	-1,555	-208	-230	-4,720
Total operating profit (loss)	93	676	489	-763	99	-16	578
6m 2011							
	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	12,429	12,162	8,160	13,726	5,025	1,548	53,050
Revenue	1,382	1,114	605	257	474	112	3,944
Inter-segment revenue	-103	0	-8	-2	0	0	-113
External revenue	13,708	13,276	8,757	13,981	5,499	1,660	56,881
Other external revenue	1,974	11	41	1,984	1	0	4,011
Total revenue	15,682	13,287	8,798	15,965	5,500	1,660	60,892
Total expenses	-13,366	-10,033	-7,988	-14,718	-4,872	-1,746	-52,723
Incl. depreciation, amortisation and impairment charges	-2,025	-1,795	-1,007	-2,056	-514	-394	-7,791
Total operating profit (loss)	2,316	3,254	810	1,247	628	-86	8,169
6m 2010							
	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	11,596	10,380	8,026	13,003	3,724	1,297	48,026
Revenue	1,186	863	493	245	424	96	3,307
Inter-segment revenue	-87	0	-2	-2	0	0	-91
External revenue	12,695	11,243	8,517	13,246	4,148	1,393	51,242
Other external revenue	162	52	1	46	0	47	308
Total revenue	12,857	11,295	8,518	13,292	4,148	1,440	51,550
Total expenses	-13,026	-9,744	-8,202	-14,329	-3,801	-1,559	-50,661
Incl. depreciation, amortisation and impairment charges	-2,290	-2,073	-1,135	-2,427	-408	-448	-8,781
Total operating profit (loss)	-169	1,551	316	-1,037	347	-119	889

Note 10 Transactions with related parties

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

- shareholders with significant influence;
- members of the executive and higher management;
- close family members of and companies related to the above.

Purchase of goods and services

	6m 2011	6m 2010
Shareholders with significant influence	37	35
Total	37	35

As at 30.06.2011 and 31.12.2010, there were no balances of receivables and liabilities.

In H1 2011, remuneration and benefits, including social security taxes of the members of the Supervisory and Management Board totalled 181 thousand euros, in H1 2010, 162 thousand euros.

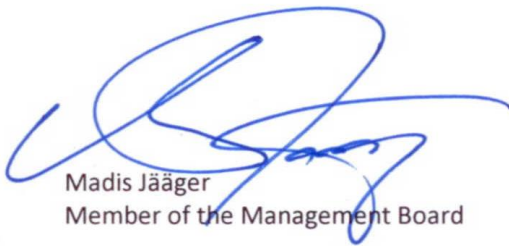
Signatures of the Management Board to the consolidated interim financial statements for the 1st half-year and the 2nd quarter of 2011

The Management Board has prepared the management report and the consolidated interim financial statements of Olympic Entertainment Group AS for the 1st half-year and the 2nd quarter of 2011.



Indrek Jürgenson
Member of the Management Board

4 August 2011



Madis Jääger
Member of the Management Board