

Olympic Entertainment Group AS

Consolidated interim financial statements for the 4th quarter and the 12-month period of 2012 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2012
End of reporting period	31 December 2012
Business name	Olympic Entertainment Group AS
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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.

Table of Contents

Corporate profile.....	3
Declaration of the management	5
Management report.....	6
Overview of the economic activities.....	6
Description of main risks.....	10
Management and Supervisory Boards.....	10
Shares of Olympic Entertainment Group AS.....	11
Consolidated interim financial statements	13
Consolidated statement of financial position	13
Consolidated statement of comprehensive income	14
Consolidated statement of cash flows.....	15
Consolidated statement of changes in equity.....	16
Notes to the consolidated interim financial statements.....	17
Note 1 Summary of significant accounting policies.....	17
Note 2 Seasonality of operations	17
Note 3 Discontinued operations.....	18
Note 4 Investment property.....	19
Note 5 Property, plant and equipment	19
Note 6 Intangible assets	19
Note 7 Borrowings.....	19
Note 8 Equity.....	20
Note 9 Segment reporting.....	21
Note 10 Transactions with related parties	22

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 31.12.2012	Ownership 31.12.2011	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%	-	Organisation of gaming
Jackpot Game S.r.l.	Italy	50%	-	Organisation of gaming
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 December 2012, the Group had a total of 63 casinos: 18 in Estonia, 21 in Latvia, 10 in Lithuania, 3 in Poland, 4 in Slovakia, 5 in Belarus and 2 in Italy. The Group employed 2,277 employees in 7 countries.

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

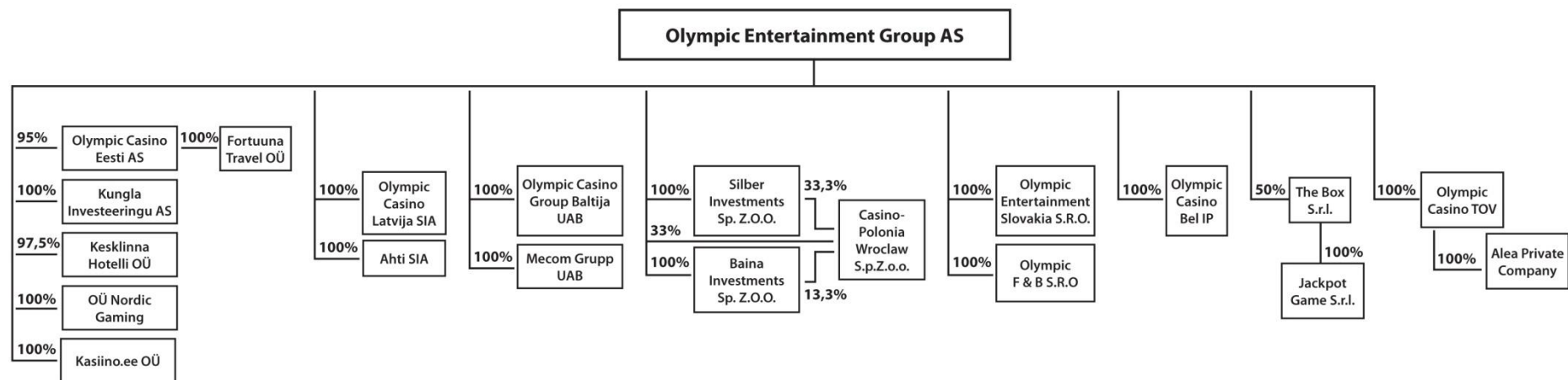
Our vision

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 December 2012



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 Jääger
Chairman of the Management Board



Meelis Pielberg
Member of the Management Board

27 February 2013

Management report

Overview of the economic activities

Key developments of the Group during the 12-month period of 2012:

- The Group's consolidated net profit totalled EUR 24.2 million. During the 12-month period of 2011, the Group earned a net profit of EUR 13.8 million.
- The efficiency of the Group's business operations improved. During the 12-month period of 2012, the Group's income from gaming transactions and revenues totalled EUR 134.7 million, i.e. 10.0% more than compared to the 12-month period of 2011. The number of casinos in operation increased by 2 year-over-year.
- 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. The Company's registered share capital was EUR 81,717,932.70 and the new size of 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.
- Olympic Entertainment Group AS and the Italian company G Holding agreed on 2 August 2012 to jointly set up and operate medium-sized VLT slot casinos in Italy. Both parties own half of the operating company The Box S.r.l.
- The Group company The Box S.r.l. signed the agreement on 24 October 2012, where it acquired the Jackpot Game S.r.l in Italy, which operates 2 VLT slot casinos.

During 12-month period of 2012, the Group's consolidated sales revenue totalled EUR 134.7 million and the revenue totalled EUR 135.9 million, which is 6.8% more than the total revenue of EUR 127.3 million earned during the 12-month period of 2011. The Group's EBITDA increased from EUR 32.0 million during the 12-month period of 2011 to EUR 38.7 million this year. During the 12-month period of 2012 the operating profit totalled EUR 28.4 million, last year the operating profit totalled EUR 16.4 million.

During the 12-month period of 2012, gaming operations accounted for 92.3% and other revenue 7.7% of the Group's consolidated revenue, the respective percentages for the 12-month period of 2011 were 89.5% and 10.5%.

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

	Q4 2012	Change	Percentage of total	Q4 2011	Percentage of total
Estonia	9,506	7.4%	25.5%	8,851	26.3%
Latvia	8,900	2.2%	23.9%	8,706	25.9%
Lithuania	5,624	4.9%	15.1%	5,363	15.9%
Poland	7,395	0.1%	19.8%	7,388	22.0%
Slovakia	4,188	61.0%	11.2%	2,602	7.7%
Belarus	920	24.2%	2.5%	741	2.2%
Italy	730	-	2.0%	0	0.0%
Romania*	0	-	0.0%	0	0.0%
Total	37,263	10.7%	100.0%	33,651	100.0%

	2012	Change	Percentage of total	2011	Percentage of total
Estonia	34,641	12.5%	25.7%	30,784	25.1%
Latvia	33,545	12.5%	24.9%	29,810	24.3%
Lithuania	20,007	3.8%	14.9%	19,277	15.7%
Poland	27,207	-1.3%	20.2%	27,566	22.5%
Slovakia	15,190	40.2%	11.3%	10,838	8.9%
Belarus	3,401	6.3%	2.5%	3,200	2.6%
Italy	730	-	0.5%	0	0.0%
Romania*	0	-	0.0%	954	0.8%
Total	134,721	10.0%	100.0%	122,429	100.0%

* Romanian income from gaming transactions and revenue were recognised until transfer of control to the new owner at 30 June 2011.

At the end of Q4 2012, the Group had 63 casinos, with the total floor area of 24,030 m². At the end of Q4 2011, the number of the Group's casinos was 61 and total floor area was 24,014 m².

Number of casinos by segment

	31.12.2012	31.12.2011
Estonia	18	17
Latvia	21	21
Lithuania	10	10
Poland	3	4
Slovakia	4	4
Belarus	5	5
Italy	2	-
Total	63	61

During the 12-month period of 2012, the Group's consolidated operating expenses decreased by 3.1% or EUR 3.4 million as compared to the expenses during 12-month period in 2011. Depreciation, amortisation and impairment losses decreased the most compared to the 12-month period in 2011 by EUR 5.3 million. Staff costs with social security taxes increased the most as compared to 12-month period of 2011 by EUR 2.5 million and licence fees and gaming taxes by EUR 1.7 million.

Staff costs with social security taxes made up the largest share of the Group's operating expenses, i.e. EUR 33.0 million, followed by gaming tax expenses of EUR 27.5 million, depreciation, amortisation and impairment losses of EUR 10.4 million, rental expenses of EUR 9.5 million and marketing expenses of EUR 9.1 million.

During the 12-month period in 2012, the consolidated net profit attributable to equity holders of the parent company totalled EUR 24.2 million. During 12-month period in 2011, the consolidated net profit attributable to equity holders of the parent company totalled EUR 13.8 million.

Key performance indicators of the Group

(in millions of euros)

	12 m 2012	12 m 2011	12 m 2010
Revenue	135.9	127.3	112.5
EBITDA	38.7	32.0	21.1
Operating profit	28.4	16.4	3.1
Net profit	24.2	13.8	1.1
EBITDA margin	28.5%	25.1%	18.8%
Operating margin	20.9%	12.9%	2.8%
Net margin	17.8%	10.9%	1.0%
ROE	29.4%	17.5%	1.4%
ROA	23.0%	13.3%	1.0%
Current ratio	3.5	2.9	2.5
Number of casinos at year-end	63	61	66
Casino floor area (m ²) at year-end	24,030	24,014	25,802
Number of slot machines at the period end	2,594	2,471	2,519
Number of gaming tables at the period end	178	180	182

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

During the 12-month period in 2012, the external revenue of the Estonian segment totalled EUR 35.4 million, of which the income from gaming transactions totalled EUR 31.5 million and other revenue and income totalled EUR 3.9 million. The external revenue of the Estonian segment increased by 7.9% compared to the 12-month period in 2011. The market share of Olympic Casino Eesti AS in the Estonian gaming market was 57% based on Q4 2012 and 55% based on Q4 2011. During the 12-month period in 2012, the total Estonian gaming market increased by 7% as compared to the 12-month period in 2011.

During the 12-month period in 2012, the EBITDA of the Estonian segment totalled EUR 9.6 million and the operating profit totalled EUR 6.7 million. During the 12-month period in 2011, the EBITDA of the Estonian segment totalled EUR 7.1 million and the operating profit totalled EUR 3.5 million.

At the end of Q4 2012, there were 18 Olympic casinos with 739 slot machines and 20 gaming tables operating in Estonia.

Latvian segment

During the 12-month period in 2012, the external revenue of the Latvian segment totalled EUR 33.7 million, of which the income from gaming transactions totalled EUR 30.8 million and other revenue and income totalled EUR 2.9 million. The external revenue of the Latvian segment increased by 12.9% compared to the 12-month period in 2011. The market share of Olympic Casino Latvia SIA in the Latvian gaming market was 21% based on Q4 2012 and 21% based on Q4 2011. During the 12-month period in 2012, the total Latvian gaming market increased by 14% as compared to the 12-month period in 2011.

During the 12-month period in 2012, the EBITDA of the Latvian segment totalled EUR 15.5 million and the operating profit totalled EUR 13.2 million. During the 12-month period in 2011, the EBITDA of the Latvian segment totalled EUR 12.7 million and the operating profit totalled EUR 9.5 million.

At the end of Q4 2012, there were 21 Olympic casinos with 676 slot machines and 24 gaming tables operating in Latvia.

Lithuanian segment

During the 12-month period in 2012, the external revenue of the Lithuanian segment totalled EUR 20.0 million, of which the income from gaming transactions totalled EUR 18.7 million and other revenue and income totalled EUR 1.3 million. The external revenue of the Lithuanian segment increased by 3.7% compared to the 12-month period in 2011. The market share of Olympic Casino Group Baltija UAB in the Lithuanian gaming market was 69% based on Q4 2012 and 71% based on Q4 2011. During the 12-month period in 2012, the total Lithuanian gaming market increased by 7% as compared to the 12-month period in 2011.

During the 12-month period in 2012, the EBITDA of the Lithuanian segment totalled EUR 5.2 million and the operating profit totalled EUR 3.9 million. During the 12-month period in 2011, the EBITDA of the Lithuanian segment totalled EUR 4.7 million and the operating profit totalled EUR 2.5 million.

At the end of Q4 2012, there were 10 Olympic casinos with 358 slot machines and 54 gaming tables operating in Lithuania.

Polish segment

During the 12-month period in 2012, the external revenue of the Polish segment totalled EUR 27.5 million, of which the income from gaming transactions totalled EUR 26.8 million and other revenue and income totalled EUR 0.7 million. The external revenue of the Polish segment decreased by 9.4% compared to the 12-month period in 2011.

During the 12-month period in 2012, the EBITDA of the Polish segment totalled EUR 4.7 million and the operating profit totalled EUR 2.6 million. During the 12-month period in 2011, the EBITDA of the Polish segment totalled EUR 6.2 million and the operating profit totalled EUR 2.7 million.

At the end of Q4 2012, there were 3 Olympic casinos with 264 slot machines and 37 gaming tables operating in Poland.

Slovak segment

During the 12-month period in 2012, the external revenue of the Slovak segment totalled EUR 15.2 million, of which the income from gaming transactions totalled EUR 13.8 million and other revenue and income totalled EUR 1.4 million. The external revenue of the Slovak segment increased by 40.1% compared to the 12-month period in 2011.

During the 12-month period in 2012, the EBITDA of the Slovak segment totalled EUR 2.6 million and the operating profit totalled EUR 1.3 million. During the 12-month period in 2011, the EBITDA of the Slovak segment totalled EUR 1.6 million and the operating profit totalled EUR 0.6 million.

At the end of Q4 2012, there were 4 Olympic casinos with 216 slot machines and 43 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.

During the 12-month period in 2012, the external revenue of the Belarusian segment totalled EUR 3.4 million, of which the income from gaming transactions totalled EUR 3.2 million and other revenue and income totalled EUR 0.2 million. The external revenue of the Belarusian segment increased by 6.0% compared to the 12-month period in 2011.

During the 12-month period in 2012, the EBITDA of the Belarusian segment totalled EUR 1.3 million and the operating profit totalled EUR 1.1 million. During the 12-month period in 2011, the EBITDA of the Belarusian segment totalled EUR 0.7 million and the operating profit totalled EUR 0.1 million.

At the end of Q4 2012, there were 5 Olympic casinos with 229 slot machines operating in Belarus.

Italian segment

In 2012, the external revenue of the Italian segment before deducting the gaming taxes of Italy totalled EUR 1.3 million. In 2012, the EBITDA of the Italian segment totalled EUR -0.3 million and the operating loss totalled EUR 0.3 million

At the end of Q4 2012, there were 2 VLT slot casinos under the brand Slottery with 112 gaming machines operating in Italy

Romanian segment

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

Financial position

At 31 December 2012, the consolidated balance sheet total of the Group was EUR 109.2 million (31 December 2011: EUR 101.0 million). The balance sheet amount has increased by 8.1% during the 12-month period in 2012.

Current assets totalled EUR 53.8 million or 49.3% of total assets, and non-current assets totalled EUR 55.4 million or 50.7% of total assets. At the balance sheet date, the liabilities totalled EUR 16.2 million and the equity totalled EUR 93.0 million. The largest liability items included tax liabilities of EUR 4.6 million, payables to suppliers 3.3 million and payables to employees of EUR 3.2 million.

Investments

During the 12-month period in 2012, the Group's expenditures on property, plant and equipment totalled EUR 8.8 million, of which EUR 4.4 million was spent on construction and reconstruction of casinos and EUR 4.1 million on new gaming equipment.

During the 12-month period in 2011, expenditures on property, plant and equipment totalled EUR 3.8 million.

Cash flows

During the 12-month period in 2012, the Group's cash flows generated from operating activities totalled EUR 34.7 million. Cash flows used in investing activities totalled EUR 10.7 million and cash flows used in financing activities totalled EUR 21.4 million. Net cash flows totalled EUR 2.6 million.

During the 12-month period in 2011, the Group's cash flows generated from operating activities totalled EUR 33.9 million. Cash flows used in investing activities totalled EUR 11.5 million and cash flows used in financing activities totalled EUR 18.1 million. Net cash flows totalled EUR 4.2 million.

Staff

At 31 December 2012, the Group employed 2,277 people (31 December 2011: 2,336): 520 in Estonia, 480 in Latvia, 626 in Lithuania, 320 in Poland, 226 in Slovakia, 98 in Belarus and 7 in Italy.

During the 12-month period in 2012, employee wages and salaries including social security taxes totalled EUR 33.0 million (12m 2011: EUR 30.5 million). In 2012, 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 793 thousand (2011: EUR 640 thousand) and EUR 157 thousand (2011: EUR 157 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 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 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.

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

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

Until 1 July 2012, the Management Board of Olympic Entertainment Group AS comprised three members, where the Chairman was Madis Jääger and members were Meelis Pielberg and Indrek Jürgenson. From 1 July 2012, the Management Board of Olympic Entertainment Group AS comprises two members, where the Chairman is Madis Jääger and member is Meelis Pielberg. 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. 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 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 directly and through the companies controlled by him a total of 36,852 Company's shares.

Shares of Olympic Entertainment Group AS

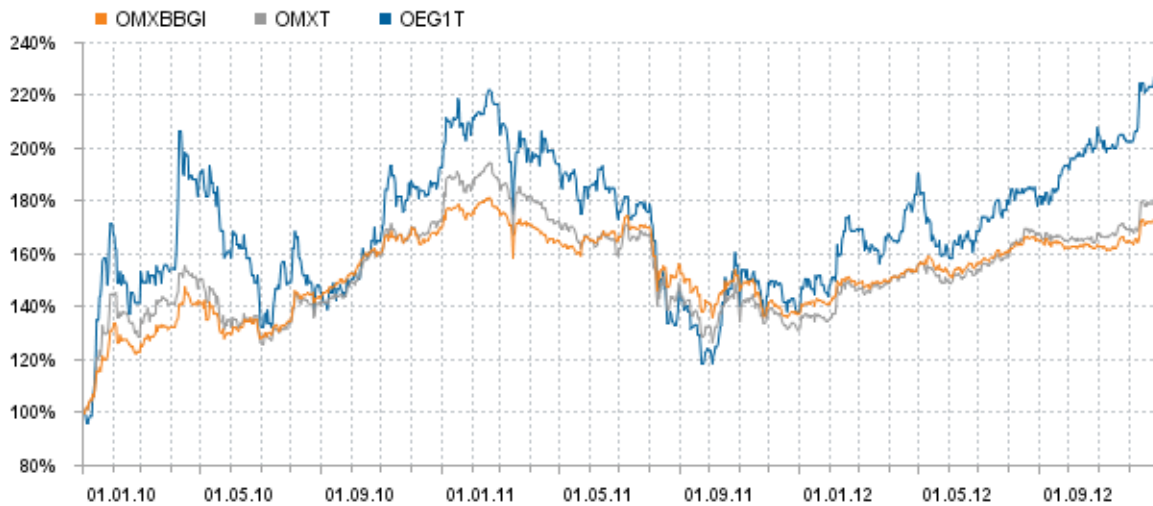
Olympic Entertainment Group AS is listed in main list of the Tallinn Stock Exchange from 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on the Warsaw Stock Exchange. At 27 July 2012, the reduction of share capital of Olympic Entertainment Group AS on the basis adopted by resolution of the General Meeting of Shareholders held at 19 April 2012 was entered in the Commercial Register. The Company's registered share capital was EUR 81,717,932.70 and the new size of 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	23.10.2006

Movements in the share price (in EUR) and traded volume (number of securities) of Olympic Entertainment Group AS during the period of 01.01.2010-31.12.2012:



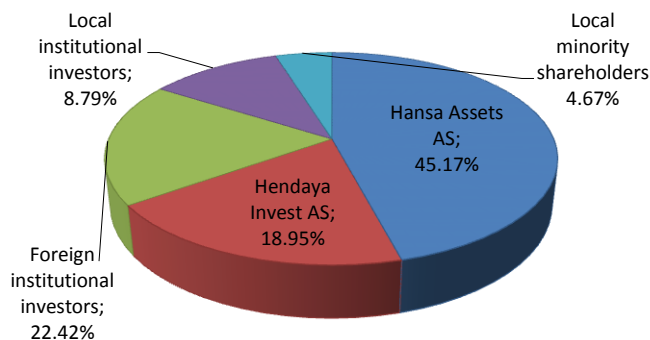
Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01.01.2010-31.12.2012:



Index/share	01.01.2010	31.12.2012	+/-%
— OMX Baltic Benchmark GI	314.42	546.98	73.96
— OMX Tallinn	404.58	734.20	81.47
— OEG1T	0.77 EUR	1.78 EUR	131.17

Largest shareholders of Olympic Entertainment Group AS at 31 December 2012:

OÜ HANSA ASSETS	45.17%
OÜ HENDAYA INVEST	18.95%
NORDEA BANK FINLAND PLC, CLIENTS	2.94%
Central Securities Depository of Lithuania	2.32%
CITIBANK (LONDON)/ UBS AG LONDON BRANCH-IPB CLIENT ACCOUNT	2.24%
Skandinaviska Enskilda Banken Ab Clients	2.18%
ING LUXEMBOURG S.A.	1.66%
FIREBIRD REPUBLICS FUND LTD	1.20%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.08%
FIREBIRD AVRORA FUND, LTD.	1.02%



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	31.12.2012	31.12.2011
ASSETS			
Current assets			
Cash and cash equivalents		35,973	33,413
Financial investments		13,773	9,508
Receivables and prepayments		2,730	2,606
Prepaid income tax		280	397
Inventories		1,036	909
Total current assets		53,792	46,833
Non-current assets			
Deferred tax assets		1,038	1,111
Financial investments		2,035	2,937
Other long-term receivables		712	712
Investment property	4	1,785	1,795
Property, plant and equipment	5	19,611	19,754
Intangible assets	6	30,226	27,822
Total non-current assets		55,407	54,131
TOTAL ASSETS		109,199	100,964
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	7	241	3,113
Trade and other payables		12,827	9,870
Income tax payable		827	1,215
Provisions		1,585	1,881
Total current liabilities		15,480	16,079
Non-current liabilities			
Deferred tax liability		140	90
Borrowings	7	596	3,136
Total non-current liabilities		736	3,226
TOTAL LIABILITIES		16,216	19,305
EQUITY			
Share capital		60,532	81,718
Share premium		0	14,535
Statutory reserve capital		0	2,470
Other reserves		141	53
Translation reserves		-700	-1,776
Retained earnings / accumulated losses		27,327	-19,930
Total equity attributable to equity holders of the parent		87,300	77,070
Non-controlling interest		5,683	4,589
TOTAL EQUITY		92,983	81,659
TOTAL LIABILITIES AND EQUITY		109,199	100,964

Consolidated statement of comprehensive income

	Notes	Q4 2012	Q4 2011	2012	2011
Continuing operations					
Income from gaming transactions	9	34,856	31,359	125,479	113,070
Revenue	9	2,407	2,292	9,242	8,405
Other income	9	666	449	1,224	4,892
Total revenue and income		37,929	34,100	135,945	126,367
Cost of materials, goods and services		-796	-786	-2,907	-2,843
Other operating expenses		-16,998	-15,018	-61,036	-56,911
Staff costs		-9,050	-8,094	-33,005	-29,812
Depreciation, amortisation and impairment	5;6	-2,421	-3,250	-10,380	-14,281
Change in the fair value of investment property		107	166	107	166
Other expenses		-112	-2,197	-327	-3,861
Total operating expenses		-29,270	-29,179	-107,548	-107,542
Operating profit		8,659	4,921	28,397	18,825
Interest income		134	79	351	359
Interest expense		-13	-83	-157	-435
Foreign exchange gains (losses)		-10	-55	-47	107
Other finance income and costs		-975	108	436	480
Total finance income and costs		-864	49	583	511
Profit from operating activities		7,795	4,970	28,980	19,336
Income tax expense		-1,247	-905	-3,961	-2,487
Net profit for the period from continuing operations		6,548	4,065	25,019	16,849
Net loss for the period from discontinued operations	3	0	0	0	-2,462
Net profit for the period		6,548	4,065	25,019	14,387
<i>Attributable to equity holders of the parent company</i>		<i>6,502</i>	<i>3,796</i>	<i>24,199</i>	<i>13,830</i>
<i>Attributable to non-controlling interest</i>		<i>46</i>	<i>269</i>	<i>820</i>	<i>557</i>
Other comprehensive income					
Currency translation differences					
<i>Continuing operations</i>		<i>-40</i>	<i>-30</i>	<i>1,076</i>	<i>-2,329</i>
<i>Discontinued operations</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>-187</i>
Total comprehensive profit for the period		6,508	4,035	26,095	11,871
<i>Attributable to equity holders of the parent company</i>		<i>6,462</i>	<i>3,766</i>	<i>25,275</i>	<i>11,314</i>
<i>Attributable to non-controlling interest</i>		<i>46</i>	<i>269</i>	<i>820</i>	<i>557</i>
Basic earnings per share*	8	4.3	2.5	16.0	9.1
<i>From continuing operations</i>		<i>4.3</i>	<i>2.5</i>	<i>16.0</i>	<i>10.7</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-1.6</i>
Diluted earnings per share*	8	4.3	2.5	16.0	9.1
<i>From continuing operations</i>		<i>4.3</i>	<i>2.5</i>	<i>16.0</i>	<i>10.7</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-1.6</i>

* euro cents

Consolidated statement of cash flows

	Notes	2012	2011
Cash flows from operating activities			
Net profit		25,019	14,387
Adjustments:			
Depreciation, amortisation and impairment	3;5;6	10,380	15,724
Profit / loss on disposal of non-current assets (net)		-44	127
Change in fair value of investment property	4	-107	-166
Income tax expense		3,961	2,538
Other financial income and expenses (net)		-583	-521
Changes in working capital:			
Receivables and prepayments		-669	3,114
Inventories		-127	1,612
Liabilities and prepayments		1,252	-421
Interest paid		-161	-440
Corporate income tax paid		-4,243	-2,093
Net cash generated from operating activities		34,678	33,861
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-7,571	-4,366
Proceeds from sale of property, plant, equipment		153	289
Purchase of investment property		-14	0
Proceeds from sale of investment property		131	0
Purchase of financial investments		-5,206	-8,047
Proceeds from sale of financial investments		2,696	101
Acquisition of subsidiary, net of cash acquired		-1,248	0
Proceeds from sale of subsidiaries		0	177
Interest received		354	329
Net cash used in from investing activities		-10,705	-11,517
Cash flows from financing activities			
Repayments of loans received	7	-6,276	-3,109
Repayments of finance leases		-4	-3
Reduction of share capital paid		-15,143	-14,999
Net cash used in financing activities		-21,423	-18,111
Net cash flows		2,550	4,233
Cash and cash equivalents at beginning of the period		33,413	28,960
Exchange gains and losses on cash and cash equivalents		10	220
Cash and cash equivalents at end of the period		35,973	33,413

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent								Non-controlling interest	Total equity
	Share capital	Share premium	Statutory reserve capital	Other reserves	Currency translation differences	Retained earnings / accumulated losses	Total			
Balance at 31.12.2010	96,717	14,535	2,413	0	740	-33,703	80,702	4,032	84,734	
<i>Net profit for the period</i>	0	0	0	0	0	13,830	13,830	557	14,387	
<i>Other comprehensive income</i>	0	0	0	0	-2,516	0	-2,516	0	-2,516	
Total comprehensive income for the period	0	0	0	0	-2,516	13,830	11,314	557	11,871	
Increase of statutory reserve capital	0	0	57	0	0	-57	0	0	0	
Reduction of share capital	-14,999	0	0	0	0	0	-14,999	0	-14,999	
Employee option programme	0	0	0	53	0	0	53	0	53	
Balance at 31.12.2011	81,718	14,535	2,470	53	-1,776	-19,930	77,070	4,589	81,659	
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>	0	0	0	0	0	24,199	24,199	820	25,019	
<i>Other comprehensive income</i>	0	0	0	0	1,076	0	1,076	0	1,076	
Total comprehensive income for the period	0	0	0	0	1,076	24,199	25,275	820	26,095	
Increase of statutory reserve capital	0	0	692	0	0	-692	0	0	0	
Covering the accumulated losses	0	-14,535	-3,162	0	0	17,697	0	0	0	
Reduction of share capital	-21,186	0	0	0	0	6,053	-15,133	-10	-15,143	
Employee option programme	0	0	0	88	0	0	88	0	88	
Acquired through business combinations	0	0	0	0	0	0	0	284	284	
Balance at 31.12.2012	60,532	0	0	141	-700	27,327	87,300	5,683	92,983	

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 December 2012 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 27 February 2013.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2011 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 2011.

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 2011.

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 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.

Analysis of income and expenses of discontinued operations

	Q4 2012	Q4 2011	2012	2011
Income from gaming transactions	0	0	0	844
Revenue	0	0	0	110
Other income	0	0	0	15
Total revenue and income	0	0	0	969
Cost of materials, goods and services	0	0	0	-38
Other operating expenses	0	0	0	-846
Staff costs	0	0	0	-688
Depreciation, amortisation and impairment	0	0	0	-255
Other expenses	0	0	0	-6
Total operating expenses	0	0	0	-1,833
Operating loss	0	0	0	-864
Foreign exchange gains	0	0	0	10
Total finance income	0	0	0	10
Loss before income tax	0	0	0	-854
Income tax expense	0	0	0	-51
After-tax loss for the period of discontinued operations	0	0	0	-905
Loss recognised from re-measurement of assets and liabilities of disposal group				
Impairment of property, plant and equipment	0	0	0	-1,188
Loss from re-measurement of liabilities	0	0	0	-369
Total loss on the re-measurement of assets and liabilities	0	0	0	-1,557
Comprehensive loss from discontinued operations	0	0	0	-2,462

Cash flows of discontinued operations

	Q4 2012	Q4 2011	2012	2011
Net cash used in operating activities	0	0	0	-825
Net cash used in investing activities	0	0	0	-1
Net cash flows	0	0	0	-826
Cash and cash equivalents at beginning of the period	0	0	0	816
Exchange gains and losses on cash and cash equivalents	0	0	0	10
Cash and cash equivalents at end of the period	0	0	0	0

Note 4 Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At 31.12.2011	1,333	462	1,795
Additions	0	14	14
Sales	-131	0	-131
Net gain from fair value adjustments	97	10	107
At 31.12.2012	1,299	486	1,785

Note 5 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 2011	42	7,808	10,639	834	431	19,754
Additions	0	717	4,012	421	3,678	8,828
Acquired through business combination	0	834	71	0	0	905
Sales	0	0	-131	0	0	-131
Write-offs	0	-57	-5	-24	0	-86
Transfers	0	1,187	1,582	503	-3,272	0
Depreciation charge	-7	-2,697	-5,812	-553	0	-9,069
Impairment losses	0	-702	-186	-4	0	-892
Currency translation differences	3	99	185	15	0	302
At 31 December 2012	38	7,189	10,355	1,192	837	19,611

Note 6 Intangible assets

	<u>Goodwill</u>	<u>Software and licences</u>	<u>Total</u>
At 31 December 2011	27,055	767	27,822
Additions	0	183	183
Acquired through business combination	1,711	153	1,864
Write-offs	0	-1	-1
Amortisation charge	0	-329	-329
Impairment losses	0	-3	-3
Currency translation differences	658	32	690
At 31 December 2012	29,424	802	30,226

Note 7 Borrowings

	<u>31.12.2012</u>	<u>31.12.2011</u>
Short-term borrowings		
Current portion of finance lease	3	4
Current portion of long-term debt	238	3,109
Total short-term borrowings	241	3,113
Long-term borrowings		
Non-current portion of finance lease	10	13
Non-current portion of long-term debt	563	3,109
Other borrowings	23	14
Total long-term borrowings	596	3,136
Total borrowings	837	6,249

At 22 October 2012 concluded Olympic Entertainment Group AS and Swedbank AS an agreement, whereby they agreed to prematurely terminate the loan agreement concluded in the year 2008. The contractual repayment date was 25 December 2013. Olympic Entertainment Group AS repaid prematurely to Swedbank AS the complete loan in the amount of EUR 3,886 thousand.

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 8 Equity

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 is reduced by reducing the book value of the shares from EUR 0.54 to EUR 0.40, whereas the number of the shares remains 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) shall be paid to the shareholders on 29 October 2012. Upon reducing the share capital, EUR 6,053,180.20 shall not be paid to the shareholders but shall be used to cover the accumulated losses.

At 27 May 2011, the conversion of share capital of Olympic Entertainment Group AS into euros and its reduction on the basis adopted by resolutions of the General Meeting of Shareholders held at 5 May 2011 was entered in the Commercial Register. The Company's registered share capital was EEK 1,513,295,050 (EUR 96,717,181) and the new converted and reduced amount was EUR 90,797,703, which was divided into 151,329,505 ordinary shares with the nominal value of EUR 0.6 each. At 18 August 2011, the second reduction of share capital of Olympic Entertainment Group AS was entered in the Commercial Register by reducing the book value of shares on the basis adopted by resolution of the General Meeting of Shareholders held at 5 May 2011. The new size of share capital is EUR 81,717,932.70, which is divided into 151,329,505 ordinary shares with the book value of EUR 0.54 each.

Of the disbursements to be made to the shareholders as a result of the reduction of nominal value of the share, the first disbursement was made at 29 August 2011 in the amount of EUR 5,919,478.35 and the second disbursement was made at 21 November 2011 in the amount of EUR 9,079,770.30.

Earnings per share

	Q4 2012	Q4 2011	2012	2011
Net profit for the period	6,502	3,796	24,199	13,830
Weighted average number of shares outstanding (in thousands)	151,329	151,329	151,329	151,329
Basic earnings per share (euro cents)	4.3	2.5	16.0	9.1
Diluted earnings per share (euro cents)	4.3	2.5	16.0	9.1

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 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 of external sales revenue and operating profit. At 31 December 2012, 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.

Q4 2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	8,751	8,182	5,207	7,292	3,838	859	1,320	35,449
Gaming tax of Italy	0	0	0	0	0	0	-593	-593
Revenue	773	722	417	103	350	61	3	2,429
Inter-segment revenue	-18	-4	0	0	0	0	0	-22
External revenue	9,506	8,900	5,624	7,395	4,188	920	730	37,263
Other external revenue	500	1	1	163	1	0	0	666
Total revenue	10,006	8,901	5,625	7,558	4,189	920	730	37,929
Total expenses	-7,800	-5,146	-4,110	-6,577	-3,958	-619	-1,060	-29,270
Incl. depreciation, amortisation and impairment losses	-793	-473	-190	-394	-352	-34	-78	-2,314
Total operating profit (-loss)	2,206	3,755	1,515	981	231	301	-330	8,659
Q4 2011	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	8,096	8,028	4,970	7,276	2,300	689	0	31,359
Revenue	787	680	404	112	302	52	0	2,337
Inter-segment revenue	-32	-2	-11	0	0	0	0	-45
External revenue	8,851	8,706	5,363	7,388	2,602	741	0	33,651
Other external revenue	27	1	2	374	0	45	0	449
Total revenue	8,878	8,707	5,365	7,762	2,602	786	0	34,100
Total expenses	-8,566	-5,224	-4,713	-6,982	-2,899	-795	0	-29,179
Incl. depreciation, amortisation and impairment losses	-691	-607	-713	-726	-264	-83	0	-3,084
Total operating profit (-loss)	312	3,483	652	780	-297	-9	0	4,921
2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	31,466	30,809	18,690	26,792	13,838	3,157	1,320	126,072
Gaming tax of Italy	0	0	0	0	0	0	-593	-593
Revenue	3,267	2,746	1,317	417	1,353	244	3	9,347
Inter-segment revenue	-92	-10	0	-2	-1	0	0	-105
External revenue	34,641	33,545	20,007	27,207	15,190	3,401	730	134,721
Other external revenue	765	135	22	258	1	43	0	1,224
Total revenue	35,406	33,680	20,029	27,465	15,191	3,444	730	135,945
Total expenses	-28,718	-20,458	-16,177	-24,882	-13,869	-2,384	-1,060	-107,548
Incl. depreciation, amortisation and impairment losses	-2,903	-2,273	-1,390	-2,148	-1,265	-216	-78	-10,273
Total operating profit (-loss)	6,688	13,222	3,852	2,583	1,322	1,060	-330	28,397

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

Note 10 Transactions with related parties

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

- shareholders with significant influence;
- key management personnel (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

	2012	2011
Shareholders with significant influence	41	73
Total	41	73

As at 31.12.2012 and 31.12.2011, there were no balances of receivables and liabilities.

In 2012, 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 793 thousand (2011: EUR 640 thousand) and EUR 157 thousand (2011: EUR 157 thousand), respectively.