

# Olympic Entertainment Group AS

## Consolidated unaudited interim financial statements for the Q3 and 9 months of 2013

(translation of the Estonian original)\*

Beginning of reporting period	1 January 2013
End of reporting period	30 September 2013
Business name	Olympic Entertainment Group AS
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E-mail	info@oc.eu
Website	<a href="http://www.olympic-casino.com">www.olympic-casino.com</a>
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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

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## Corporate Profile

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

Olympic Entertainment Group AS is the Group's ultimate holding company, organising the strategic management and financing of the Group. The operations of local casinos are controlled by local subsidiaries which include Olympic Casino Estonia AS in Estonia, Olympic Casino Latvia SIA and Altea SIA in Latvia, Olympic Casino Group Baltija UAB in Lithuania, Casino Polonia-Wroclaw Sp. z o.o. in Poland, Olympic Casino Slovakia S.r.o. in Slovakia, Olympic Casino Bel IP in Belarus and The Box S.r.l. and Jackpot Game S.r.l. in Italy. Most of the Group's casino properties operate under the trademark of Olympic Casino. In addition to land-based casinos the Group is also providing online casino services and operating a 4-star hotel and casino complex in Tallinn, Estonia.

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

As at 30 September 2013, the Group had a total of 83 casinos 17 of which were added through acquisition of Latvian casino operator Altea SIA on 28 June 2013. The Group operates 18 casinos in Estonia, 38 in Latvia, 12 in Lithuania, 3 in Poland, 5 in Slovakia, 5 in Belarus and 2 in Italy. The Group employed 2,534 employees in 7 countries.

Group entities include:

	Domicile	Ownership 30.09.2013	Ownership 31.12.2012	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services
Kungla Investeeringu AS	Estonia	100%	100%	Hotel services, catering
Kesklinna Hotelli OÜ	Estonia	100%	97.5%	Hotel services
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	100%	95%	Casino tourism
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	100%	100%	Gaming services
Ahti SIA	Latvia	100%	100%	Bar services
Altea SIA	Latvia	95%	-	Gaming services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Gaming services
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
Silber Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Baina Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Casino-Polonia Wroclaw Sp. z o.o.	Poland	80%	80%	Gaming services
Olympic Casino Slovakia S.r.o.	Slovakia	100%	100%	Gaming services
Olympic F & B S.r.o.	Slovakia	100%	100%	Bar services
Olympic Casino Bel IP	Belarus	100%	100%	Gaming services
The Box S.r.l.	Italy	50%	50%	Gaming services
Jackpot Game S.r.l.	Italy	50%	50%	Gaming services
Siquia Holding B.V.	Holland	95%	-	Holding activities
Jessy Investments B.V.	Holland	100%	-	Holding activities
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

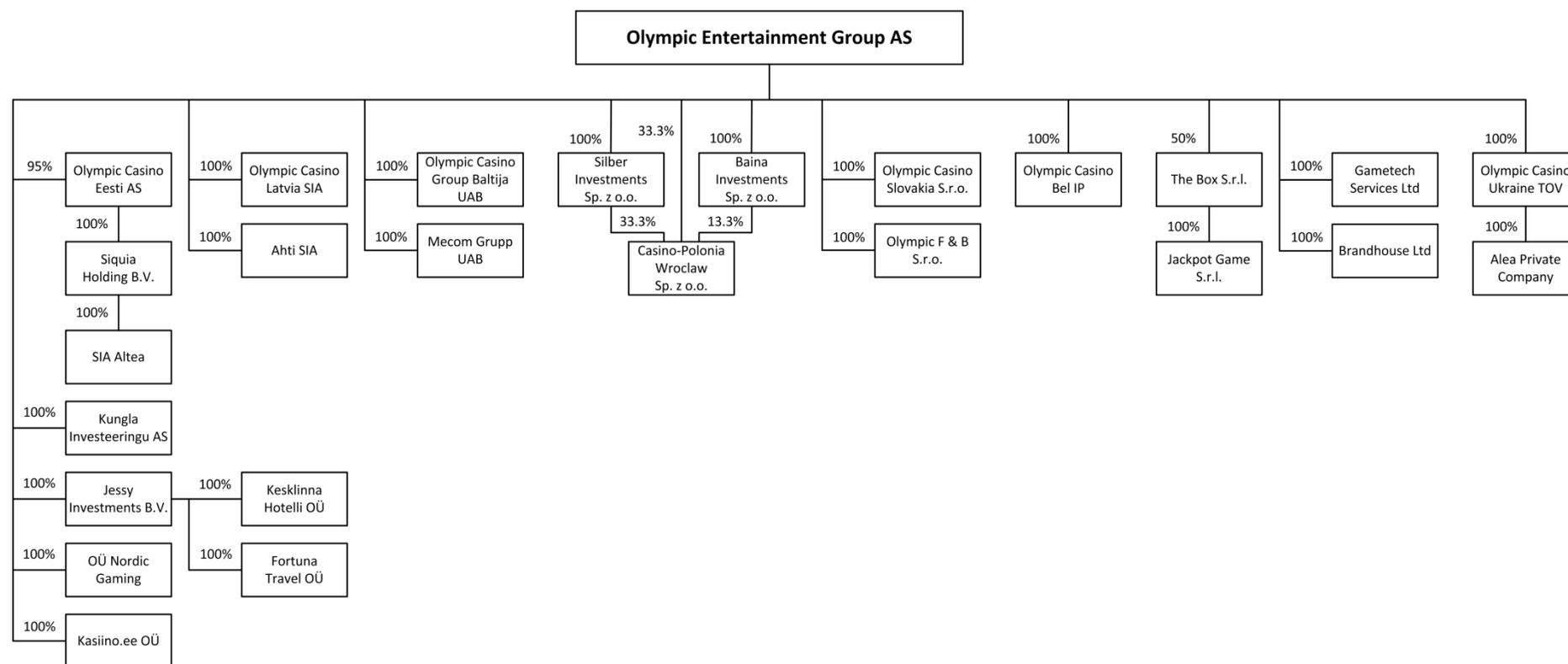
### Our vision

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

### Our mission

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

Group's structure at 30 September 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

28 October 2013

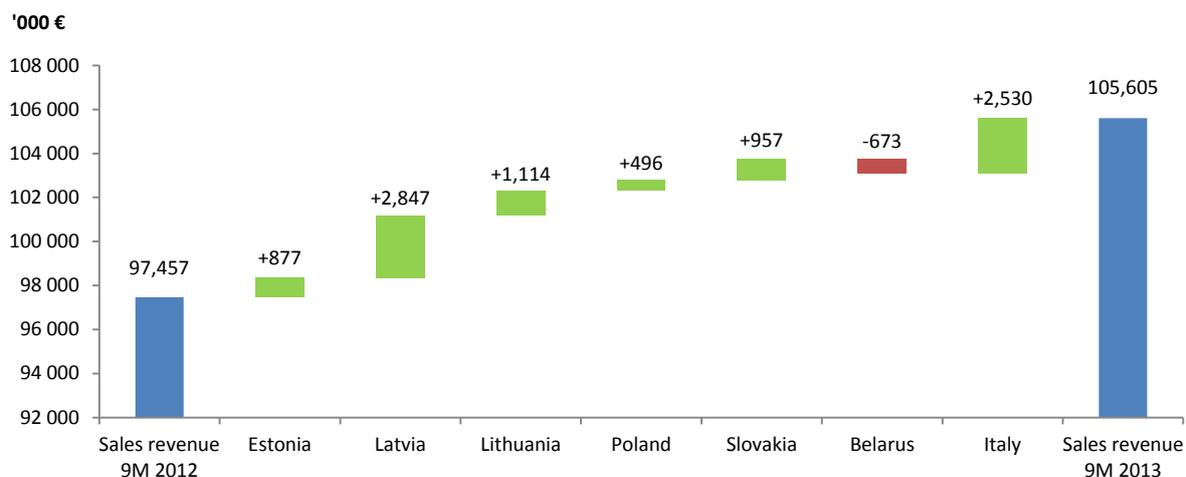
## Management Report

### Overview of the economic activities

#### Key developments of the Group during the 9 months of 2013:

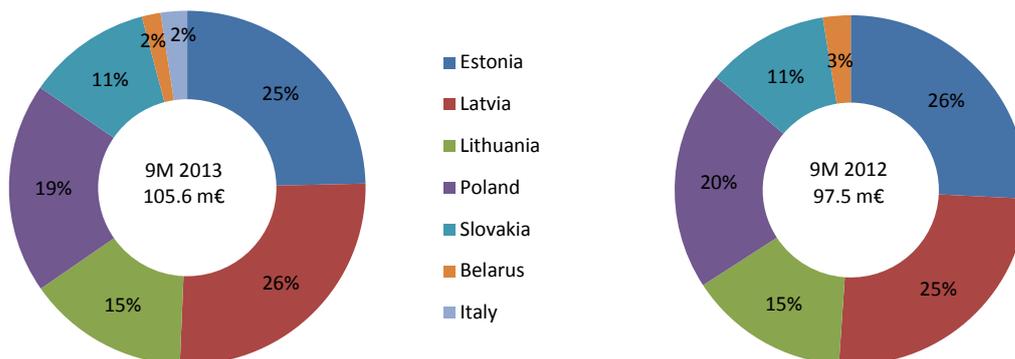
- The Group's consolidated sales revenues for 9 months 2013 amounted to EUR 105.6 million, up 8.4% or EUR 8.1 million y-o-y.
- Gaming revenues accounted for 93.4% (98.6 m€) and other revenues for 6.6% (7.0 m€) of the Group's consolidated sales revenues for 9 months 2013. A year before the revenue split was 93.0% (90.6 m€) and 7.0% (6.8 m€), respectively.
- The Group's consolidated EBITDA for 9 months 2013 amounted to EUR 28.6 million, up 3.4% from EUR 27.7 million a year before. The Group's consolidated operating profit increased EUR 2.9 million (+14.8%) to EUR 22.7 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for 9 months 2013 totalled EUR 18.3 million compared to EUR 17.7 million a year ago.
- On 11 March Olympic Casino Eesti AS, the subsidiary 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 to create a legal platform for the expansion of the Group's activities in markets related to online gaming.
- The annual general meeting of the shareholders held on 18 April 2013 decided to pay dividends in the amount of 15,132,950.50 euros.
- As part of the restructuring, Olympic Entertainment Group AS acquired 100% of the shares of the Dutch entity Jessy Investments B.V. and transferred the 100% shareholding in OÜ Fortuna Travel to the acquired entity. In addition, Olympic Entertainment Group AS acquired 100% shareholding in Kesklinna Hotelli OÜ, the share of which was used to increase the share capital of Jessy Investments B.V through non-monetary contribution. The restructuring was completed in June 2013.
- On 28 June 2013 Siquia Holding B.V, the subsidiary of Olympic Casino Eesti AS, signed a sales-purchase agreement to acquire 100% shareholding in Latvian casino operator Altea SIA.
- On 18 July 2013 Group entity Kesklinna Hotelli OÜ and AS Merko Ehitus Eesti signed an agreement for the construction of new upscale hotel instead of Reval Park Hotel & Casino. The new hotel will be operated by Hilton Worldwide under its Hilton Hotels & Resorts brand. The estimated cost of the new hotel and casino complex expected to open in December 2015 is EUR 36 million.
- Group entity Olympic Casino Latvia SIA started providing online gaming services in Latvia from 1 August 2013. In addition, the Group launched sports betting and sports bar network under Olybet name, a new brand for online services.

#### The Group's consolidated sales revenue by segments:



**The Group's consolidated sales revenue by segments:**

'000€	Q3 2013	Q3 2012	Change	9M 2013	9M 2012	Change
Estonia	9,615	9,340	2,9%	26,011	25,134	3,5%
Latvia	11,064	8,902	24,3%	27,492	24,645	11,6%
Lithuania	5,461	5,023	8,7%	15,497	14,383	7,7%
Poland	6,739	6,437	4,7%	20,308	19,812	2,5%
Slovakia	4,253	3,243	31,1%	11,959	11,002	8,7%
Belarus	554	906	-38,9%	1,808	2,481	-27,1%
Italy	773	0	100,0%	2,530	0	100,0%
<b>Total</b>	<b>38,459</b>	<b>33,851</b>	<b>13,6%</b>	<b>105,605</b>	<b>97,457</b>	<b>8,4%</b>

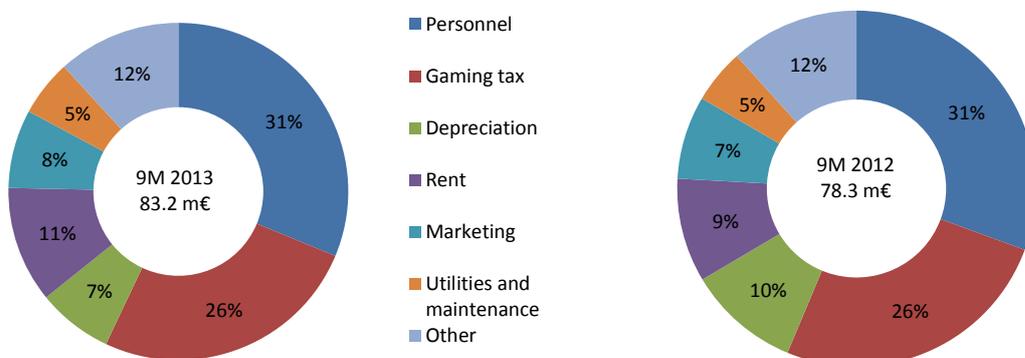
**Share of segments in the Group's sales revenue:**

At the end of September 2013, the Group had 83 casinos with total floor area of 27,230 m<sup>2</sup> (+3,876 m<sup>2</sup>).

**Number of casinos by segment:**

	30 September 2013	30 September 2012
Estonia	18	18
Latvia	38	21
Lithuania	12	10
Poland	3	4
Slovakia	5	4
Belarus	5	5
Italy	2	-
<b>Total</b>	<b>83</b>	<b>62</b>

The Group's consolidated operating expenses for 9 months 2013 amounted to EUR 83.2 million, up 6.3% or EUR 4.9 million y-o-y. The growth was highest in personnel expenses (+2.0 m€, +8.5%), rent expenses (+1.9 m€, +25.6%) and gaming tax (+1.3 m€, +6.6%). Amortization and depreciation cost declined the most (-2.0 m€, -24.8%). Personnel expenses (26.0 m€) and gaming tax (21.4 m€) represented the largest cost items accounting for 57.0% of total operating expenses.



**Key performance indicators of the Group**

		<b>9M 2013</b>	<b>9M 2012</b>	<b>9M 2011</b>
Revenues	m€	105.9	98.0	93.2
Gaming tax	m€	21.4	20.1	19.2
EBITDA	m€	28.6	27.7	24.0
EBIT	m€	22.7	19.7	11.5
Net profit	m€	18.3	17.7	10.0
EBITDA margin	%	27.1	28.3	25.7
Operating margin	%	21.4	20.1	12.3
Net margin	%	17.3	18.1	10.8
Assets	m€	108.9	118.1	105.3
Equity	m€	94.1	86.2	77.6
ROE	%	21.4	23.0	13.0
ROA	%	16.1	15.8	9.4
Current ratio	times	3.1	2.1	2.2
Casinos at end of period	#	83	62	63
Casino floor area at end of period	m <sup>2</sup>	27,230	23,354	23,149
Employees	#	2,534	2,310	2,004
Slot machines at end of period	#	2,970	2,479	2,447
Gaming tables at end of period	#	185	182	173

## Underlying formulas:

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

## Overview by markets

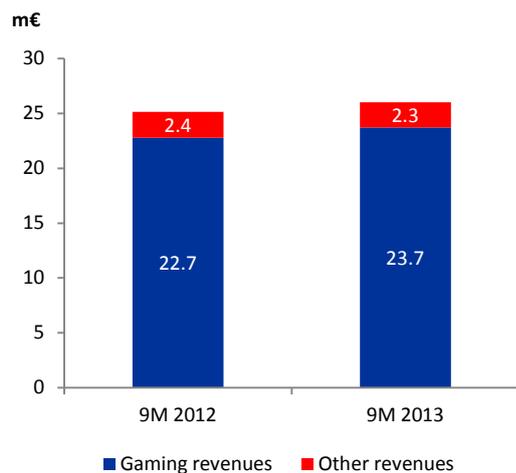
### Estonia

The sales revenues of Estonian segment for 9 months 2013 amounted to EUR 26.0 million (+0.9 m€, +3.5%), EBITDA to EUR 6.8 million (+0.2 m€, +3.1%) and operating profit to EUR 5.6 million (+1.1 m€, +26.3%). Gaming revenue increased 4.1% y-o-y amounting to EUR 23.7 million.

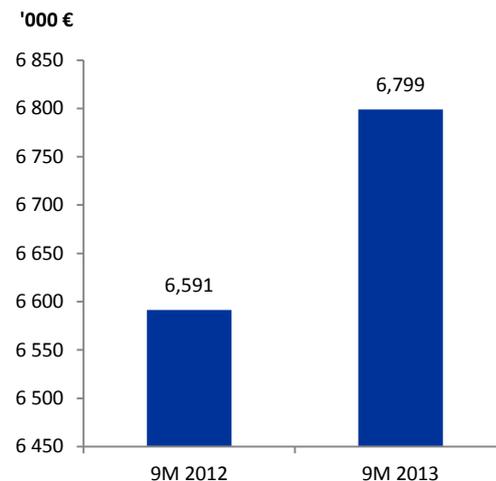
The market share of Olympic Casino Eesti AS in the Estonian land-based gaming market was 57% in Q3 2013 remaining on the same level as a year ago. All in all, total Estonian land-based gaming market decreased in 9 months 2013 by approximately 4% as compared to the same period a year ago.

At the end of Q3 2013, there were 18 Olympic casinos with 741 slot machines and 19 gaming tables operating in Estonia. As at 30 September 2013, the Estonian operations employed 506 people.

#### Sales revenues



#### EBITDA



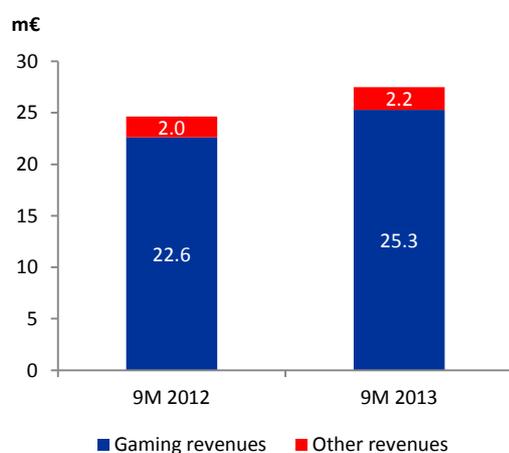
### Latvia

The sales revenues of Latvian segment for 9 months 2013 amounted to EUR 27.5 million (+2.8 m€, +11.6%), EBITDA to EUR 12.1 million (+0.9 m€, +7.6%) and operating profit to EUR 10.4 million (+0.9 m€, +9.8%). Gaming revenue increased 11.8% y-o-y amounting to EUR 25.3 million.

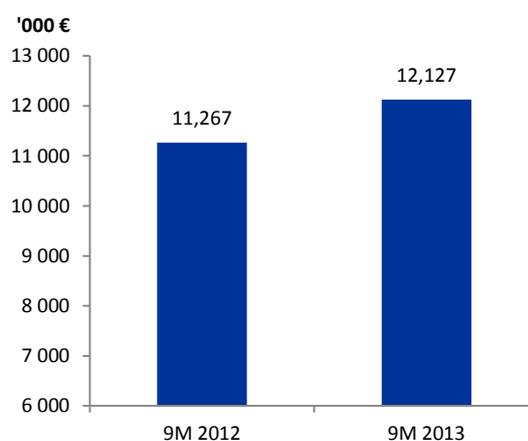
The market share of Latvian operations in the Latvian gaming market was approximately 23% in 9 months 2013, up from 20% a year ago. Total Latvian gaming market increased by approximately 3% as compared to the 9 months 2012.

As at the end of September 2013, there were 38 Olympic casinos with 1,001 slot machines and 18 gaming tables operating in Latvia. As at 30 September 2013, there were 662 employees in Latvia.

#### Sales revenues



#### EBITDA



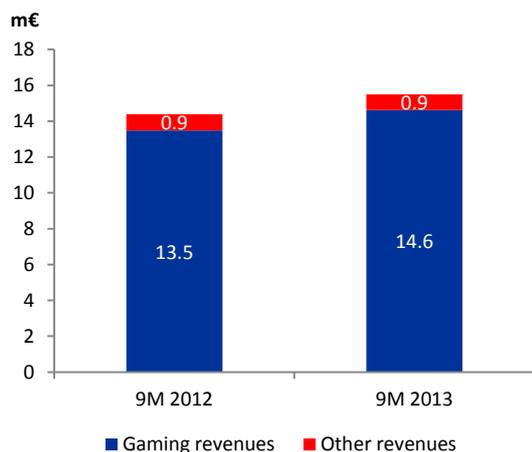
### Lithuania

The sales revenues of Lithuanian segment for 9 months 2013 amounted to EUR 15.5 million (+1.1 m€, +7.7%), EBITDA to EUR 3.5 million (-0.01 m€, -1.5%) and operating profit to EUR 2.5 million (+0.1 m€, +5.4%). Gaming revenue increased 8.4% y-o-y amounting to EUR 14.6 million.

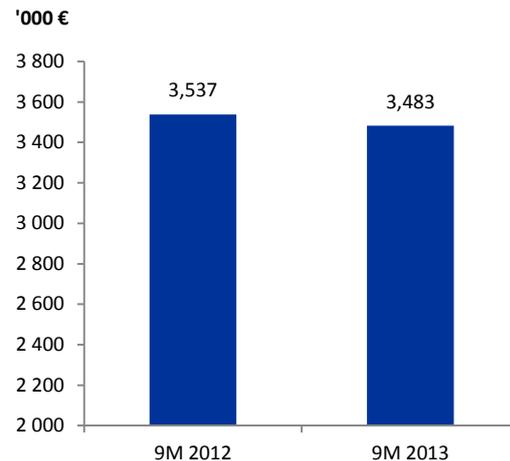
The market share of Olympic Casino Group Baltija UAB in the Lithuanian gaming market was 69% in 9 months 2013, up from 67% a year before. Total Lithuanian gaming market increased by 6% as compared to the nine months 2012.

As at the end of September 2013, there were 12 Olympic casinos with 394 slot machines and 58 gaming tables operating in Lithuania. As at 30 September 2013, the Lithuanian operations employed 670 people.

#### Sales revenues



#### EBITDA

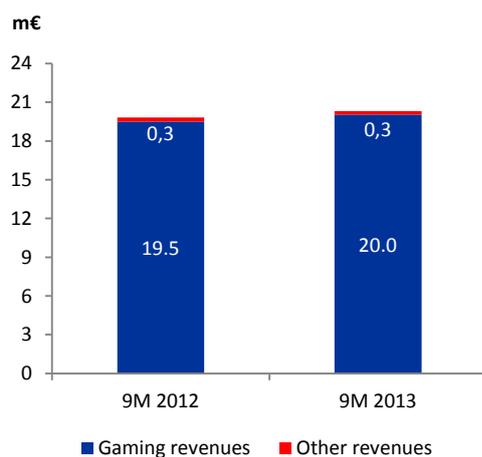


### Poland

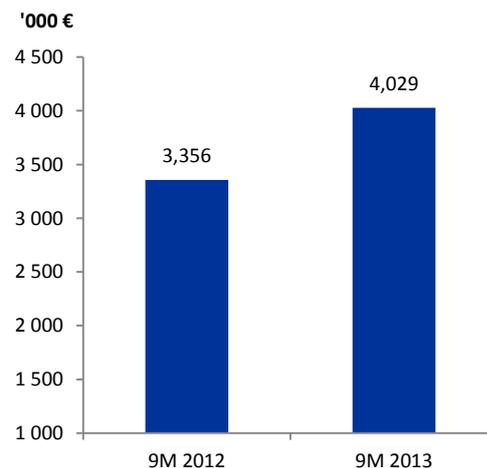
The sales revenues of Polish segment for 9 months 2013 amounted to EUR 20.3 million (+0.5 m€, +2.5%), EBITDA to EUR 4.0 million (+0.7 m€, +20.0%) and operating profit to EUR 3.2 million (+1.6 m€, +97.7%). Gaming revenue increased 2.8% y-o-y amounting to EUR 20.0 million.

As at the end of September 2013, there were 3 Olympic casinos with 271 slot machines and 38 gaming tables operating in Poland. As at 30 September 2013, the Polish operations employed 340 people.

#### Sales revenues



#### EBITDA

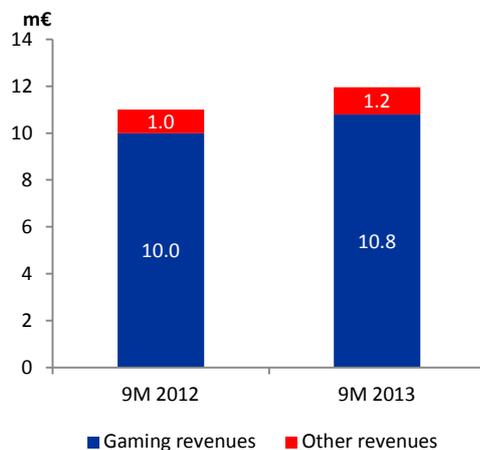


### Slovakia

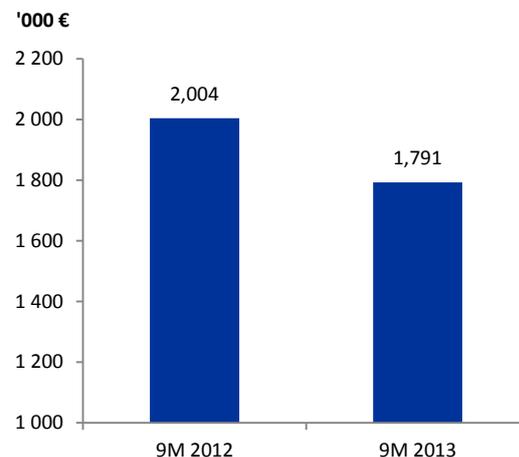
The sales revenues of Slovak segment for 9 months 2013 amounted to EUR 12.0 million (+1.0 m€, +8.7%), EBITDA to EUR 1.8 million (-0.2 m€, -10.6%) and operating profit to EUR 0.9 million (-0.2 m€, -17.3%). Gaming revenue increased 8.0% y-o-y amounting to EUR 10.8 million.

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

#### Sales revenues



#### EBITDA



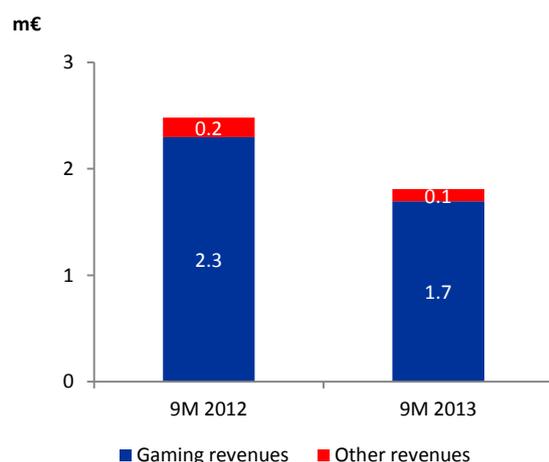
### Belarus

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

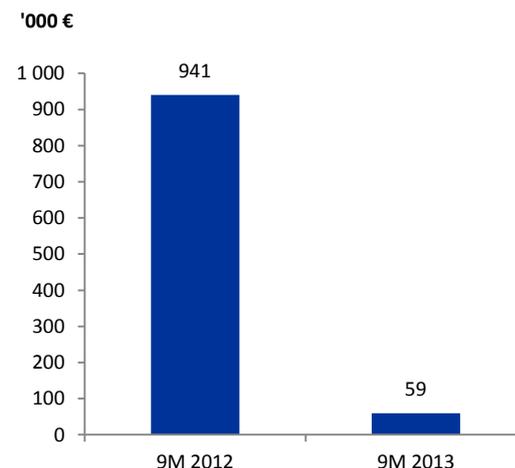
The sales revenues of Belarusian segment for 9 months 2013 amounted to EUR 1.8 million (-0.7 m€, -27.1%), EBITDA to EUR 0.06 million (-0.9 m€, -93.7%) and operating profit to EUR 0.01 million (-0.8 m€). Gaming revenue decreased 26.2% y-o-y amounting to EUR 1.7 million.

As at the end of September 2013, there were 5 Olympic casinos with 188 slot machines operating in Belarus. As at 30 September 2013, the Belarusian operations employed 86 people.

#### Sales revenues



#### EBITDA



### Italy

The sales revenues of Italian segment before deducting the gaming tax of Italy for September 2013 amounted to EUR 5.3 million, EBITDA to EUR 0.4 million and operating profit to EUR 0.1 million.

The Group is operating in Italy since August 2012. As at the end of Q3 2013, there were 2 VLT slot casinos with 112 slot machines operating in Italy under the brand of Slottery. As at 30 September 2013, there were 7 employees in Italy.

**Financial position**

As at 30 September 2013, the total assets of the Group amounted to EUR 108.9 million, down 7.8% or EUR 9.2 million compared to the same period a year ago. The decline in total assets was mostly driven by dividend payment in Q1 2013.

Current assets totalled EUR 44.5 million or 40.8% of total assets, and non-current assets EUR 64.5 million or 59.2% of total assets. The liabilities amounted to EUR 14.9 million and equity to EUR 94.1 million. The largest liabilities included suppliers payable and customer prepayments (4.6 m€), tax liabilities (4.4 m€) and payables to employees (3.0 m€).

**Investments**

In 9 months 2013, the Group's expenditures on property, plant and equipment totalled EUR 9.0 million (+3.3 m€), of which EUR 4.4 million was invested to new gaming equipment (+1.3m€) and EUR 4.3 million (+1.7 m€) to construction and reconstruction of casinos.

**Cash flows**

In 9 months 2013, the Group's cash flows generated from operating activities amounted to EUR 22.5 million (-1.7 m€) and cash flows from investing activities to EUR -3.2 million (-3.9 m€). Financing cash flows amounting to EUR -17.8 million (-15.5 €) were largely impacted by dividend payment in the amount of EUR 17.6 million. Net cash flows totalled EUR 1.5 million (-12.8 m€).

**Staff**

As at 30 September 2013, the Group employed 2,534 people, up by 224 y-o-y mostly due to opening new casinos in Lithuania and Slovakia as well as expansion in Latvia.

In 9 months 2013, total personnel expenses amounted to EUR 26.0 million (+2.0 m€, +8.5%). 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 615 thousand (626 thousand in 9 months 2012) and EUR 117 thousand (EUR 117 thousand in 9 months 2012), respectively.

## Description of Main Risks

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

### Business risks

The macro-economic development of operated markets and related changes in the consumption habits of clients are the factors that influence the Group the most. To manage risks, the Group monitors and analyses the general development of markets and the activities of competitors, as a result of which the Group will adjust operational activities, including marketing activities, if necessary.

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

### Currency risk

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

Internal transactions of the Group are primarily concluded in euros. The equity of the Group is influenced by a change in the exchange rate of the Polish zloty and Belarusian ruble to the euro. The functional currencies of subsidiaries within the Group, the US dollar (USD), the Swiss franc (CHF) and investment gold (XAU) as well as the derivative instruments related to the aforementioned currencies may be used to manage currency risks. The market value of USD, CHF or XAU (incl. the respective derivative instruments) may not exceed 20% of the equity according to the last audited consolidated balance sheet of the Group.

### Credit risk

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

## Management and Supervisory Boards

The Management Board of Olympic Entertainment Group AS is comprised of two members. In the daily management activities, the Management Board of the Company is independent and is guided by the best interests of all shareholders, thereby ensuring sustainable development of the Company according to the set objectives and strategy. The Management Board also ensures the functioning of internal control and risk management procedures in the Company. The Supervisory Board of Olympic Entertainment Group AS elects members of the Management Board for a term of three years.



Madis Jääger – Chairman of the Management Board and CEO since 2012 (member of the Management Board since 2010). Madis Jääger graduated from Estonian Business School in 2002 with a degree in International Business Administration major in accounting and banking *cum laude*. Madis Jääger owns neither directly nor through the companies controlled by him any of the Company's shares.



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

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

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

## Shares of Olympic Entertainment Group AS

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

ISIN	EE3100084021
Ticker symbol	OEG1T
Market	BALTIC MAIN LIST
Number of securities issued	151 329 505
Number of listed securities	151 329 505
Listing date	23 October 2006

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



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

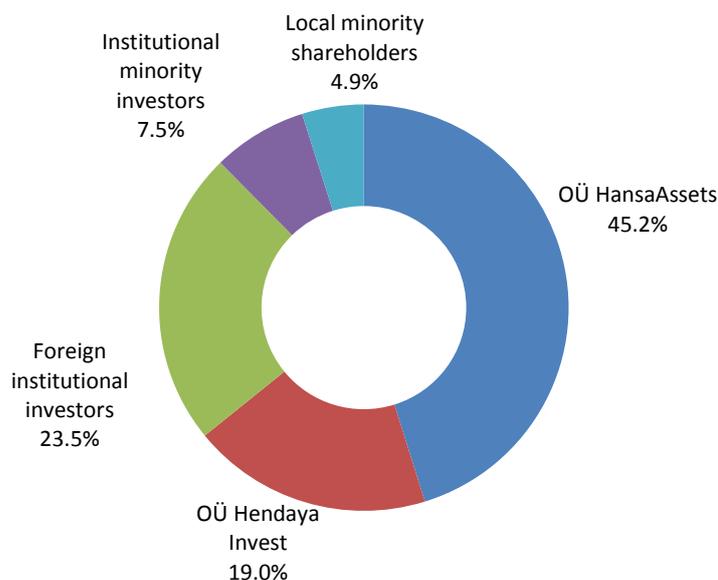


Index/share	01 Jan 2010	30 Sept 2013	+/-%
— OMX Baltic Benchmark GI	314.42	630.17	100.42
— OMX Tallinn	404.58	836.51	106.76
— OEG1T	0.77 EUR	1.95 EUR	153.25

**Largest shareholders of Olympic Entertainment Group AS at 30 September 2013:**

OÜ HansaAssets	45.17%
OÜ Hendaya Invest	18.98%
CITIBANK (London)/ UBS AG London Branch-IPB client account	3.83%
NORDEA BANK Finland PLC, clients	2.87%
Skandinaviska Enskilda Banken Ab, Swedish Clients	2.31%
Central Securities Depository of Lithuania	1.70%
ING Luxembourg S.A. AIF Account	1.66%
State Street Bank and Trust Omnibus Account A Fund NO OM01	1.22%
J.P. Morgan Bank Luxembourg S.A.	0.99%
Firebird Republics Fund LTD	0.98%

**Structure of Olympic Entertainment Group AS shareholders as at 30 September 2013:**



## Consolidated Interim Financial Statements

### Consolidated statement of financial position

	Notes	30.09.2013	31.12.2012
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		37,451	35,973
Financial investments		1,298	13,773
Receivables and prepayments		3,974	2,730
Prepaid income tax		564	280
Inventories		1,168	1,036
<b>Total current assets</b>		<b>44,455</b>	<b>53,792</b>
<b>Non-current assets</b>			
Deferred tax assets		1,032	1,038
Financial investments		3,402	2,035
Other long-term receivables		685	712
Investment property	3	1,785	1,785
Property, plant and equipment	4	22,901	19,611
Intangible assets	5	34,670	30,226
<b>Total non-current assets</b>		<b>64,475</b>	<b>55,407</b>
<b>TOTAL ASSETS</b>		<b>108,930</b>	<b>109,199</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Borrowings	6	239	241
Trade and other payables		12,478	12,827
Income tax payable		517	827
Provisions		1,067	1,585
<b>Total current liabilities</b>		<b>14,301</b>	<b>15,480</b>
<b>Non-current liabilities</b>			
Deferred tax liability		152	140
Borrowings	6	426	596
<b>Total non-current liabilities</b>		<b>578</b>	<b>736</b>
<b>TOTAL LIABILITIES</b>		<b>14,879</b>	<b>16,216</b>
<b>EQUITY</b>			
Share capital		60,532	60,532
Statutory reserve capital		1,210	0
Other reserves		211	141
Translation reserves		-1,287	-700
Retained earnings		29,275	27,327
<b>Total equity attributable to equity holders of the parent</b>		<b>89,941</b>	<b>87,300</b>
Non-controlling interest		4,110	5,683
<b>TOTAL EQUITY</b>		<b>94,051</b>	<b>92,983</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>108,930</b>	<b>109,199</b>

## Consolidated statement of comprehensive income

	Notes	Q3 2013	Q3 2012	9M 2013	9M 2012
Income from gaming transactions	8	35,986	31,409	98,636	90,629
Revenue	8	2,473	2,442	6,969	6,828
Other income	8	33	35	282	558
<b>Total revenue and income</b>		<b>38,492</b>	<b>33,886</b>	<b>105,887</b>	<b>98,015</b>
Cost of materials, goods and services		-778	-763	-2,228	-2,118
Other operating expenses		-16,571	-14,733	-48,816	-44,030
Staff costs		-9,071	-7,923	-26,003	-23,955
Depreciation, amortisation and impairment	4;5	-1,783	-2,392	-5,983	-7,959
Other expenses		-97	-58	-191	-216
<b>Total operating expenses</b>		<b>-28,300</b>	<b>-25,869</b>	<b>-83,221</b>	<b>-78,278</b>
<b>Operating profit</b>		<b>10,192</b>	<b>8,017</b>	<b>22,666</b>	<b>19,737</b>
Interest income		65	63	121	216
Interest expense		-4	-42	-13	-144
Foreign exchange gains (losses)		-5	8	-58	-37
Other finance income and costs		-1	889	-622	1,412
<b>Total finance income and costs</b>		<b>55</b>	<b>918</b>	<b>-572</b>	<b>1,447</b>
<b>Profit from operating activities</b>		<b>10,247</b>	<b>8,935</b>	<b>22,094</b>	<b>21,184</b>
Income tax expense		-1,192	-1,274	-2,879	-2,714
<b>Net profit for the period</b>		<b>9,055</b>	<b>7,661</b>	<b>19,215</b>	<b>18,470</b>
<i>Attributable to equity holders of the parent company</i>		<i>8,631</i>	<i>7,337</i>	<i>18,291</i>	<i>17,696</i>
<i>Attributable to non-controlling interest</i>		<i>424</i>	<i>324</i>	<i>924</i>	<i>774</i>
<b>Other comprehensive income</b>					
Currency translation differences		265	420	-587	1,117
<b>Total comprehensive profit for the period</b>		<b>9,320</b>	<b>8,081</b>	<b>18,628</b>	<b>19,587</b>
<i>Attributable to equity holders of the parent company</i>		<i>8,896</i>	<i>7,757</i>	<i>17,704</i>	<i>18,813</i>
<i>Attributable to non-controlling interest</i>		<i>424</i>	<i>324</i>	<i>924</i>	<i>774</i>
Basic earnings per share*	7	5.7	4.8	12.1	11.7
Diluted earnings per share*	7	5.7	4.8	12.1	11.7

\* euro cents

**Consolidated statement of cash flows**

	<b>Notes</b>	<b>9M 2013</b>	<b>9M 2012</b>
<b>Cash flows from operating activities</b>			
Net profit		19,215	18,470
Adjustments:			
Depreciation, amortisation and impairment	4;5	5,983	7,959
Profit / loss on disposal of non-current assets (net)		-6	-65
Change in fair value of investment property		0	-9
Income tax expense		2,879	2,714
Other financial income and expenses (net)		572	-1,447
Changes in working capital:			
Receivables and prepayments		-910	-366
Inventories		-132	-54
Liabilities and prepayments		-1,790	-327
Interest paid		-13	-146
Corporate income tax paid		-3,275	-3,036
<b>Net cash generated from operating activities</b>		<b>22,523</b>	<b>23,693</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant, equipment and intangible assets		-8,991	-4,897
Proceeds from sale of property, plant, equipment		52	148
Purchase of financial investments		-1,379	-5,206
Proceeds from sale of other financial investments		11,150	2,696
Acquisition of subsidiary, net of cash acquired		-4,244	-5
Interest received		199	196
<b>Net cash used in from investing activities</b>		<b>-3,213</b>	<b>-7,068</b>
<b>Cash flows from financing activities</b>			
Repayments of loans received	6	-178	-2,332
Repayments of finance leases		-3	-3
Reduction of share capital paid		0	-10
Dividends paid		-17,630	0
<b>Net cash used in financing activities</b>		<b>-17,811</b>	<b>-2,345</b>
<b>Net cash flows</b>		<b>1,499</b>	<b>14,280</b>
Cash and cash equivalents at beginning of the period		35,973	33,413
Exchange gains and losses on cash and cash equivalents		-21	9
<b>Cash and cash equivalents at end of the period</b>		<b>37,451</b>	<b>47,702</b>

**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	
<b>Balance at 31.12.2011</b>	<b>81,718</b>	<b>14,535</b>	<b>2,470</b>	<b>53</b>	<b>-1,776</b>	<b>-19,930</b>	<b>77,070</b>	<b>4,589</b>	<b>81,659</b>
<i>Net profit for the period</i>	0	0	0	0	0	17,696	17,696	774	18,470
<i>Other comprehensive income</i>	0	0	0	0	1,117	0	1,117	0	1,117
Total comprehensive income for the period	0	0	0	0	1,117	17,696	18,813	774	19,587
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	64	0	0	64	0	64
<b>Balance at 30.09.2012</b>	<b>60,532</b>	<b>0</b>	<b>0</b>	<b>117</b>	<b>-659</b>	<b>20,824</b>	<b>80,814</b>	<b>5,353</b>	<b>86,167</b>
<b>Balance at 31.12.2012</b>	<b>60,532</b>	<b>0</b>	<b>0</b>	<b>141</b>	<b>-700</b>	<b>27,327</b>	<b>87,300</b>	<b>5,683</b>	<b>92,983</b>
<i>Net profit for the period</i>	0	0	0	0	0	18,291	18,291	924	19,215
<i>Other comprehensive expense</i>	0	0	0	0	-587	0	-587	0	-587
Total comprehensive income for the period	0	0	0	0	-587	18,291	17,704	924	18,628
Statutory reserve capital	0	0	1,210	0	0	-1,210	0	0	0
Dividends paid	0	0	0	0	0	-15,133	-15,133	-2,497	-17,630
Employee option programme	0	0	0	70	0	0	70	0	70
<b>Balance at 30.09.2013</b>	<b>60,532</b>	<b>0</b>	<b>1,210</b>	<b>211</b>	<b>-1,287</b>	<b>29,275</b>	<b>89,941</b>	<b>4,110</b>	<b>94,051</b>

## Notes to the consolidated interim financial statements

### Note 1 Summary of significant accounting policies

Olympic Entertainment Group AS (hereinafter the "Company") is a company registered in Estonia at 15 November 1999. The consolidated interim financial statements of the Company prepared for the reporting period ended 30 September 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 28 October 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](http://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>
<b>At 31 December 2012</b>	<b>1,299</b>	<b>486</b>	<b>1,785</b>
<b>At 30 September 2013</b>	<b>1,299</b>	<b>486</b>	<b>1,785</b>

**Note 4 Property, plant and equipment**

	<u>Land and buildings</u>	<u>Renovation expenditures</u>	<u>Machinery &amp; equipment</u>	<u>Other PP&amp;E</u>	<u>Construction in progress</u>	<u>Total</u>
<b>At 31 December 2012</b>	<b>38</b>	<b>7,189</b>	<b>10,355</b>	<b>1,192</b>	<b>837</b>	<b>19,611</b>
Additions	0	1,153	4,428	285	3,141	<b>9,007</b>
Acquired through business combination	0	18	185	0	2	<b>205</b>
Disposals	0	0	-72	0	0	<b>-72</b>
Write-offs	0	-98	-2	-11	0	<b>-111</b>
Reclassifications	0	740	1,290	166	-2,196	<b>0</b>
Depreciation charge	-5	-1,577	-3,635	-387	0	<b>-5,604</b>
Exchange differences	-1	-43	-77	-10	-4	<b>-135</b>
<b>At 30 September 2013</b>	<b>32</b>	<b>7,382</b>	<b>12,472</b>	<b>1,235</b>	<b>1,780</b>	<b>22,901</b>

**Note 5 Intangible assets**

	<u>Goodwill</u>	<u>Software and licences</u>	<u>Total</u>
<b>At 31 December 2012</b>	<b>29,424</b>	<b>802</b>	<b>30,226</b>
Additions	0	529	<b>529</b>
Acquired through business combination	4,516	1	<b>4,517</b>
Amortisation charge	0	-268	<b>-268</b>
Exchange differences	-324	-10	<b>-334</b>
<b>At 30 September 2013</b>	<b>33,616</b>	<b>1,054</b>	<b>34,670</b>

**Note 6 Borrowings**

	<u>30.09.2013</u>	<u>31.12.2012</u>
<b>Short-term borrowings</b>		
Current portion of finance lease	1	3
Current portion of long-term debt	238	238
<b>Total short-term borrowings</b>	<b>239</b>	<b>241</b>
<b>Long-term borrowings</b>		
Non-current portion of finance lease	10	10
Non-current portion of long-term debt	384	563
Other borrowings	32	23
<b>Total long-term borrowings</b>	<b>426</b>	<b>596</b>
<b>Total borrowings</b>	<b>665</b>	<b>837</b>

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 were 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

	Q3 2013	Q3 2012	9M 2013	9M 2012
Net profit for the period	8,631	7,337	18,291	17,696
Weighted average number of shares outstanding (in thousands)	151,329	151,329	151,329	151,329
Basic earnings per share (euro cents)	5.7	4.8	12.1	11.7
Diluted earnings per share (euro cents)	5.7	4.8	12.1	11.7

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 of external sales revenue and operating profit. At 30 September 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.

<b>Q3 2013</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	8,738	10,275	5,165	6,655	3,869	520	1,583	<b>36,805</b>
Gaming tax of Italy	0	0	0	0	0	0	-819	<b>-819</b>
Revenue	1,000	789	297	86	385	34	9	<b>2,600</b>
Inter-segment revenue	-123	0	-1	-2	-1	0	0	<b>-127</b>
<b>External revenue</b>	<b>9,615</b>	<b>11,064</b>	<b>5,461</b>	<b>6,739</b>	<b>4,253</b>	<b>554</b>	<b>773</b>	<b>38,459</b>
Other external revenue	4	1	26	0	2	0	0	<b>33</b>
<b>Total revenue</b>	<b>9,619</b>	<b>11,065</b>	<b>5,487</b>	<b>6,739</b>	<b>4,255</b>	<b>554</b>	<b>773</b>	<b>38,492</b>
<b>Total expenses</b>	<b>-6,812</b>	<b>-6,599</b>	<b>-4,226</b>	<b>-5,604</b>	<b>-3,761</b>	<b>-581</b>	<b>-717</b>	<b>-28,300</b>
Incl. Depreciation, amortisation and impairment losses	-381	-545	-261	-213	-275	-22	-86	<b>-1,783</b>
<b>Total operating profit</b>	<b>2,807</b>	<b>4,466</b>	<b>1,261</b>	<b>1,135</b>	<b>494</b>	<b>-27</b>	<b>56</b>	<b>10,192</b>

<b>Q3 2012</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	8,423	8,175	4,719	6,325	2,930	837	0	<b>31,409</b>
Revenue	934	729	304	113	313	69	0	<b>2,462</b>
Inter-segment revenue	-17	-2	0	-1	0	0	0	<b>-20</b>
<b>External revenue</b>	<b>9,340</b>	<b>8,902</b>	<b>5,023</b>	<b>6,437</b>	<b>3,243</b>	<b>906</b>	<b>0</b>	<b>33,851</b>
Other external revenue	3	1	0	17	0	14	0	<b>35</b>
<b>Total revenue</b>	<b>9,343</b>	<b>8,903</b>	<b>5,023</b>	<b>6,454</b>	<b>3,243</b>	<b>920</b>	<b>0</b>	<b>33,886</b>
<b>Total expenses</b>	<b>-7,180</b>	<b>-5,083</b>	<b>-4,008</b>	<b>-5,807</b>	<b>-3,166</b>	<b>-625</b>	<b>0</b>	<b>-25,869</b>
Incl. Depreciation, amortisation and impairment losses	-639	-566	-377	-440	-328	-42	0	<b>-2,392</b>
<b>Total operating profit</b>	<b>2,163</b>	<b>3,820</b>	<b>1,015</b>	<b>647</b>	<b>77</b>	<b>295</b>	<b>0</b>	<b>8,017</b>

<b>9M 2013</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	23,705	25,292	14,620	20,037	10,803	1,694	5,287	<b>101,438</b>
Gaming tax of Italy	0	0	0	0	0	0	-2,802	<b>-2,802</b>
Revenue	2,495	2,200	879	274	1,157	114	45	<b>7,164</b>
Inter-segment revenue	-189	0	-2	-3	-1	0	0	<b>-195</b>
<b>External revenue</b>	<b>26,011</b>	<b>27,492</b>	<b>15,497</b>	<b>20,308</b>	<b>11,959</b>	<b>1,808</b>	<b>2,530</b>	<b>105,605</b>
Other external revenue	145	75	28	6	6	22	0	<b>282</b>
<b>Total revenue</b>	<b>26,156</b>	<b>27,567</b>	<b>15,525</b>	<b>20,314</b>	<b>11,965</b>	<b>1,830</b>	<b>2,530</b>	<b>105,887</b>
<b>Total expenses</b>	<b>-20,511</b>	<b>-17,172</b>	<b>-13,062</b>	<b>-17,143</b>	<b>-11,063</b>	<b>-1,846</b>	<b>-2,424</b>	<b>-83,221</b>
Incl. Depreciation, amortisation and impairment losses	-1,154	-1,732	-1,020	-858	-889	-75	-255	<b>-5,983</b>
<b>Total operating profit</b>	<b>5,645</b>	<b>10,395</b>	<b>2,463</b>	<b>3,171</b>	<b>902</b>	<b>-16</b>	<b>106</b>	<b>22,666</b>

<b>9M 2012</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Poland</b>	<b>Slovakia</b>	<b>Belarus</b>	<b>Italy</b>	<b>Total</b>
Income from gaming transactions	22,721	22,627	13,483	19,500	10,000	2,298	0	<b>90,629</b>
Revenue	2,487	2,024	900	314	1,003	183	0	<b>6,911</b>
Inter-segment revenue	-74	-6	0	-2	-1	0	0	<b>-83</b>
<b>External revenue</b>	<b>25,134</b>	<b>24,645</b>	<b>14,383</b>	<b>19,812</b>	<b>11,002</b>	<b>2,481</b>	<b>0</b>	<b>97,457</b>
Other external revenue	265	134	21	95	0	43	0	<b>558</b>
<b>Total revenue</b>	<b>25,399</b>	<b>24,779</b>	<b>14,404</b>	<b>19,907</b>	<b>11,002</b>	<b>2,524</b>	<b>0</b>	<b>98,015</b>
<b>Total expenses</b>	<b>-20,918</b>	<b>-15,312</b>	<b>-12,067</b>	<b>-18,305</b>	<b>-9,911</b>	<b>-1,765</b>	<b>0</b>	<b>-78,278</b>
Incl. Depreciation, amortisation and impairment losses	-2,110	-1,800	-1,200	-1,754	-913	-182	0	<b>-7,959</b>
<b>Total operating profit</b>	<b>4,481</b>	<b>9,467</b>	<b>2,337</b>	<b>1,602</b>	<b>1,091</b>	<b>759</b>	<b>0</b>	<b>19,737</b>

**Note 9 Transactions with related parties**

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

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

<u>Purchase of goods and services</u>	<u>9m 2013</u>	<u>9m 2012</u>
Shareholders with significant influence	1	41
<b>Total</b>	<b>1</b>	<b>41</b>

As at 30.09.2013 and 31.12.2012, there were no balances of receivables and liabilities.

During the 9-month period in 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 615 thousand (9m 2012: EUR 626 thousand) and EUR 117 thousand (9m 2012: EUR 117 thousand), respectively.