

Olympic Entertainment Group AS

Consolidated interim financial statements
for the Q2 and H1 of 2014 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2014
End of reporting period	30 June 2014
Business name	Olympic Entertainment Group AS
Registration number	10592898
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Telephone	+372 667 1250
Fax	+372 667 1270
E-mail	info@oc.eu
Website	www.olympic-casino.com
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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

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Corporate profile

Olympic Entertainment Group AS with its subsidiaries (hereinafter the "Group") is the leading provider of gaming services in the Baltic States (Estonia, Latvia and Lithuania), and 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. and OlyBet Slovakia S.r.o. in Slovakia, Olympic Casino Bel IP in Belarus and Jackpot Game S.r.l. and Slottery 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 has operated until 31.10.2013 a 4-star hotel and casino complex in Tallinn, Estonia.

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

As at 30 June 2014, the Group had a total of 93 casinos. The Group operates 18 casinos in Estonia, 38 in Latvia, 12 in Lithuania, 2 in Poland, 6 in Slovakia, 6 in Belarus and 11 in Italy. The Group employed 2,593 employees in 7 countries.

Group entities include:

	Domicile	Ownership 30.06.2013	Ownership 31.12.2012	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services
Kungla Investeeringu AS	Estonia	100%	100%	Hotel services, catering
Kesklinna Hotelli OÜ	Estonia	100%	100%	Hotel services
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	100%	100%	Casino tourism
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	99%	100%	Gaming services
Ahti SIA	Latvia	100%	100%	Bar services
Altea SIA	Latvia	99%	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
OlyBet 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	70%	50%	Gaming services
Jackpot Game S.r.l.	Italy	70%	50%	Gaming services
Slottery S.r.l.	Italy	70%	0%	Gaming services
Siquia Holding B.V.	Holland	95%	95%	Holding activities
Jessy Investments B.V.	Holland	100%	100%	Holding activities
Gametech Services Ltd	Jersey	100%	100%	Software services
Brandhouse Ltd	Jersey	100%	100%	Holding activities
Olympic Casino Ukraine TOV	Ukraine	100%	100%	Bankrupt
Alea Private Company	Ukraine	100%	100%	Bankrupt

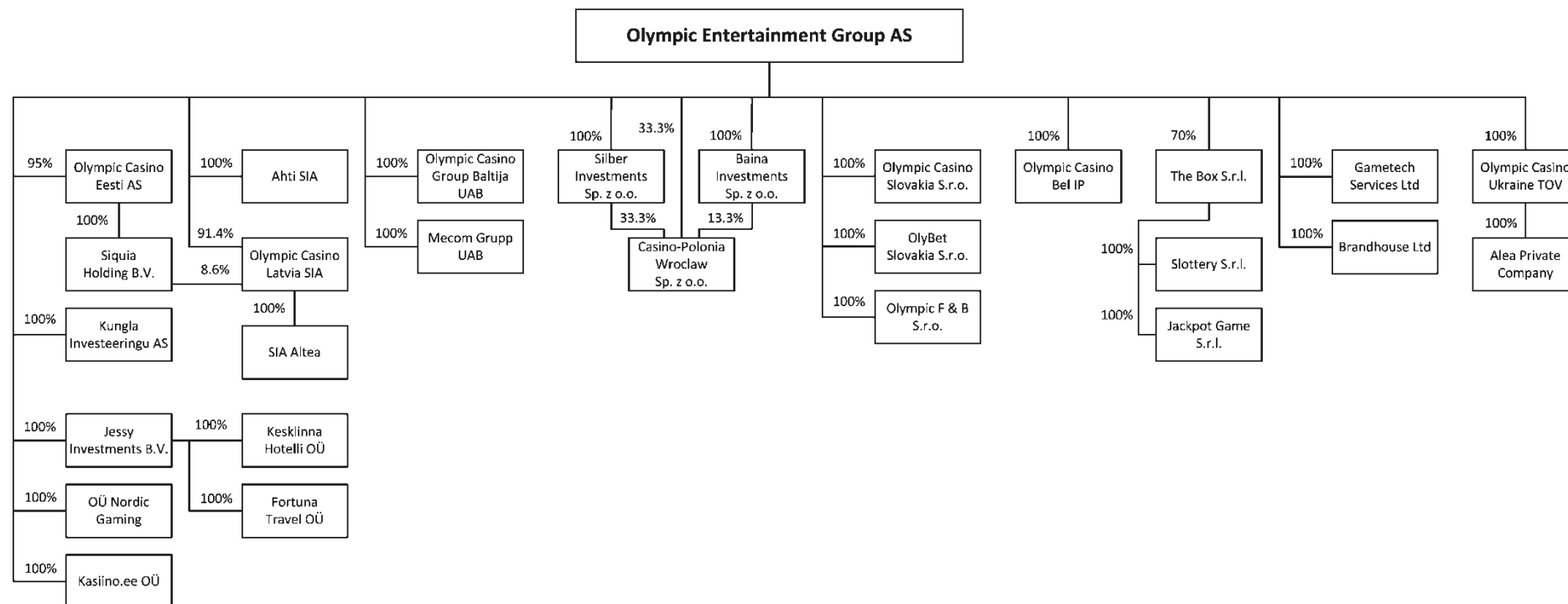
Our vision

Our vision is to be a global casino and resort operator, best known for our excellent service and creative design.

Our mission

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

Group's structure at 30 June 2014



Declaration of the management

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



Madis Jäger
Chairman of the Management Board



Meelis Pielberg
Member of the Management Board

29 July 2014

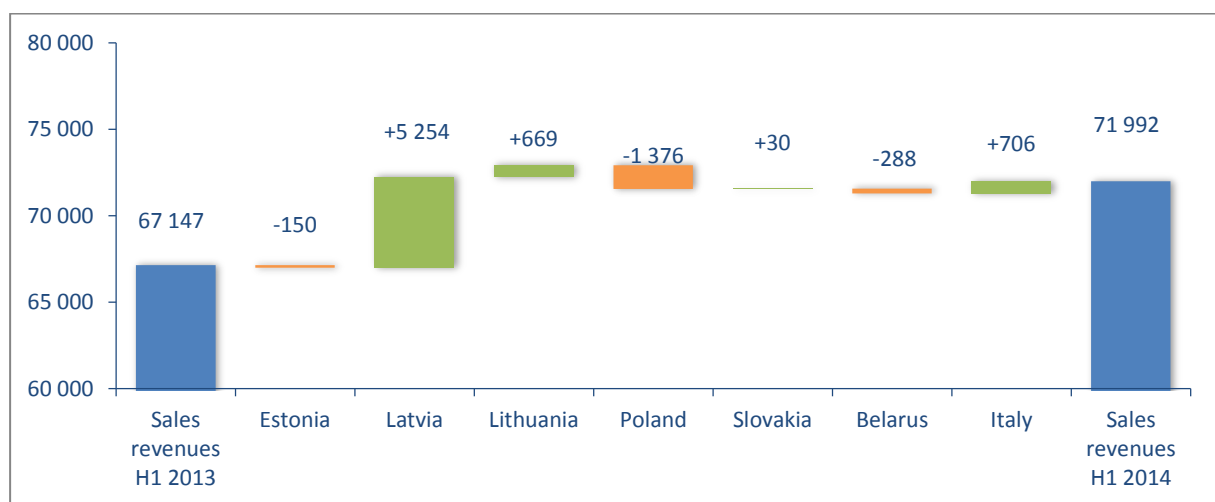
Management report

Overview of the economic activities

Key developments of the Group during the first half-year of 2014:

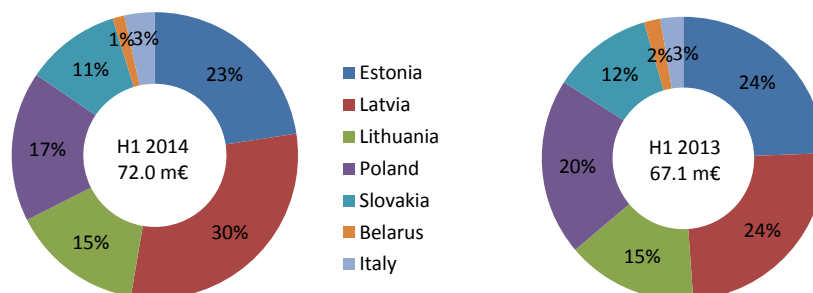
- The Group's consolidated sales revenues for H1 2014 amounted to EUR 72.0 million, up 7.2% or EUR 4.8 million y-o-y.
- Gaming revenues accounted for 94.0% (67.7 m€) and other revenues for 6.0% (4.3 m€) of the Group's consolidated sales revenues for H1 2014. A year before the revenue split was 93.3% (62.6 m€) and 6.7% (4.5 m€), respectively.
- The Group's consolidated EBITDA for H1 2014 amounted to EUR 16.7 million, a growth of 0.2% from EUR 16.7 million a year before. At the same time, the Group's consolidated operating profit increased EUR 0.2 million (+1.4%) to EUR 12.6 million.
- In H1 2014, the consolidated net profit attributable to equity holders of the parent company totalled EUR 10.3 million compared to EUR 9.7 million a year ago.
- On 23 January 2014 Olympic Entertainment Group AS has acquired 100% shareholding in Slovak VLT slot casino operator WINWIN Slovakia S.r.o. (renamed later as OlyBet Slovakia S.r.o.) and has opened its first VLT casino on Slovak market during the second quarter of 2014.
- The general meeting of shareholders held on 25 April 2014 has decided to pay out dividends in amount of EUR 15,132,950.50, that were paid out to shareholders on 13 May 2014.
- On 29 April 2014 Olympic Entertainment Group AS has increased to 70% its holding in The Box S.r.l, a company that manages operations in Italy, which in turn has acquired a 100% holding in Slottery S.r.l.
- In May 2014 Olympic Entertainment Group AS has adopted a decision to restructure its Latvian subsidiaries, which led to conversion of Olympic Casino Latvia SIA share capital into euros and its increase. It was also decided to merge OEG Latvian subsidiaries Olympic Casino Latvia SIA and Altea SIA. The merger process will take 10 months.
- On 21 July 2014 the supervisory board of Olympic Entertainment Group AS has adopted a resolution to increase the share capital of the Company by EUR 184,680.40 by issuing shares without nominal value. The amount of share capital of the Company after the issuing of new shares is EUR 60,716,482.40. The increase of share capital relates to share option agreements concluded by the Company in 2011 and the exercise of options by option holders.

The Group's consolidated sales revenues by segments:



The Group's consolidated sales revenues by segments:

'000€	Q2 2014	Q2 2013	Change	H1 2014	H1 2013	Change
Estonia	8,459	8,289	2.1%	16,247	16,397	-0.9%
Latvia	11,267	8,398	34.2%	21,682	16,428	32.0%
Lithuania	5,206	4,906	6.1%	10,705	10,036	6.7%
Poland	5,975	7,287	-18.0%	12,193	13,569	-10.1%
Slovakia	4,111	3,787	8.6%	7,736	7,706	0.4%
Belarus	494	563	-12.3%	966	1,254	-23.0%
Italy	1,673	858	95.0%	2,463	1,757	40.2%
Total	37,185	34,088	9.1%	71,992	67,147	7.2%

Share of segments in the Group's sales revenues:

At the end of H1 2014, the Group had 93 casinos with total floor area of 31,060 m² (+5,957 m²).

Number of casinos by segment:

	30 June 2014	30 June 2013
Estonia	18	18
Latvia	38	38
Lithuania	12	12
Poland	2	3
Slovakia	6	5
Belarus	6	5
Italy	11	2
Total	93	83

The Group's consolidated operating expenses for H1 2014 amounted to EUR 59.6 million, up 8.5% or EUR 4.7 million y-o-y. The growth was highest in personnel expenses (+2.4 m€, +13.9%), rent expenses (+0.7 m€, +13.1%) and other services costs (+0.5 mln euro, +44.0%). Amortization and depreciation cost declined the most (-0.1 m€, -3.5%). Personnel expenses (19.3 m€) and gaming tax (14.3 m€) represented the largest cost items accounting for 56.3% of total operating expenses.



Key performance indicators of the Group

		H1 2014	H1 2013	H1 2012
Revenues	m€	72.2	67.4	64.1
Gaming tax	m€	14.3	14.0	13.5
EBITDA	m€	16.7	16.7	17.3
EBIT	m€	12.6	12.5	11.7
Net profit	m€	10.3	9.7	10.4
EBITDA margin	%	23.1	24.7	27.0
Operating margin	%	17.5	18.5	18.3
Net margin	%	14.3	14.3	16.2
Assets	m€	115.4	101.0	109.9
Equity	m€	97.8	84.7	78.1
ROE	%	10.8	11.5	13.8
ROA	%	8.8	9.2	9.8
Current ratio	times	2.3	2.4	1.9
Casinos at end of period	#	93	83	62
Casino floor area (m2) at end of period	m ²	31,060	26,235	23,480
Employees	#	2,593	2,561	2,349
Slot machines at end of period	#	3,337	3,056	2,487
Gaming tables at end of period	#	192	189	183

Underlying formulas:

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

Overview by markets

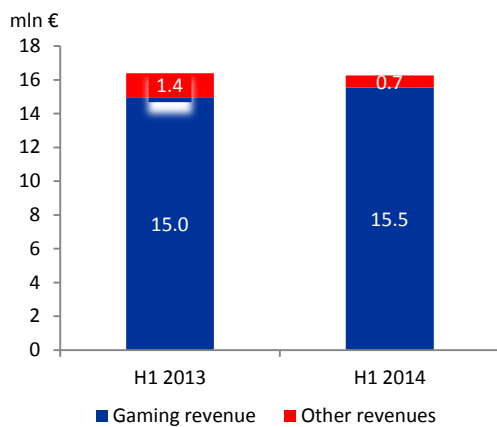
Estonia

The sales revenues of Estonian segment for H1 2014 amounted to EUR 16.2 million (-0.1 m€, -1.0%), EBITDA to EUR 3.9 million (+0.3 m€, +7.8%) and operating profit to EUR 3.0 million (+0.1 m€, +4.1%). Gaming revenue increased 3.8% y-o-y amounting to EUR 15.5 million.

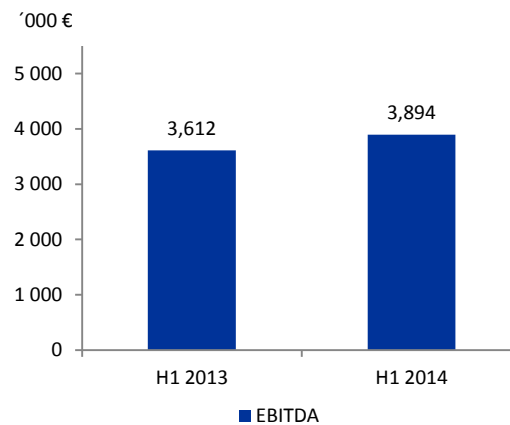
The market share of Olympic Casino Eesti AS in the Estonian land-based gaming market was 55% in Q2 2014, compared to 56% a year ago. Total Estonian gaming market increased by 6% as compared to the H1 2013.

At the end of H1 2014, there were 18 Olympic casinos with 737 slot machines and 19 gaming tables operating in Estonia. As at 30 June 2014, the Estonian operations employed 478 people.

Sales revenues



EBITDA



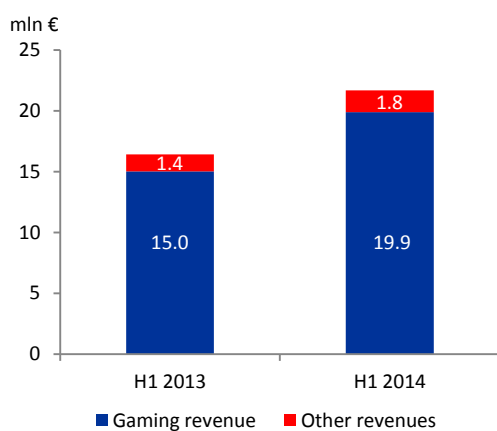
Latvia

The sales revenues of Latvian segment for H1 2014 amounted to EUR 21.7 million (+5.3 m€, +32.0%), EBITDA to EUR 8.3 million (+1.2 m€, +16.3%) and operating profit to EUR 6.8 million (+0.9 m€, +14.4%). Gaming revenue increased 32.4% y-o-y amounting to EUR 19.9 million.

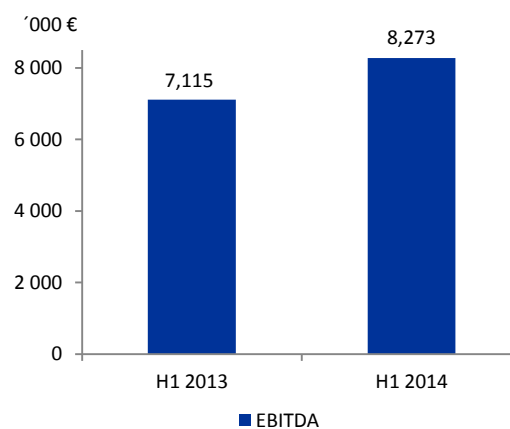
The market share of Olympic Casino Latvia SIA in the Latvian gaming market was 23% in Q2 2014, compared to 21% a year ago. Total Latvian gaming market increased by 8% as compared to the H1 2013.

As at the end of H1 2014, there were 38 Olympic casinos with 1,066 slot machines and 18 gaming tables operating in Latvia. As at 30 June 2014, there were 690 employees in Latvia.

Sales revenues



EBITDA

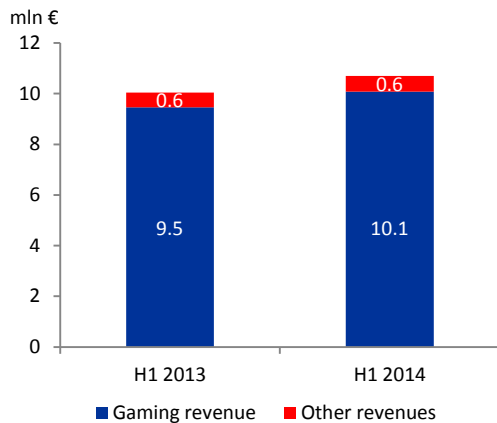


Lithuania

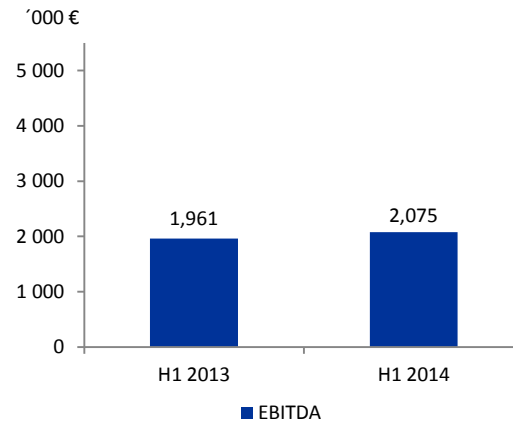
The sales revenues of Lithuanian segment for H1 2014 amounted to EUR 10.7 million (+0.7 m€, +6.7%), EBITDA to EUR 2.1 million (+0.1 m€, +5.8%) and operating profit to EUR 1.6 million (+0.4 m€, +30.1%). Gaming revenue increased 6.6% y-o-y amounting to EUR 10.1 million.

As at the end of H1 2014, there were 12 Olympic casinos with 428 slot machines and 63 gaming tables operating in Lithuania. As at 30 June 2014, the Lithuanian operations employed 670 people.

Sales revenues



EBITDA

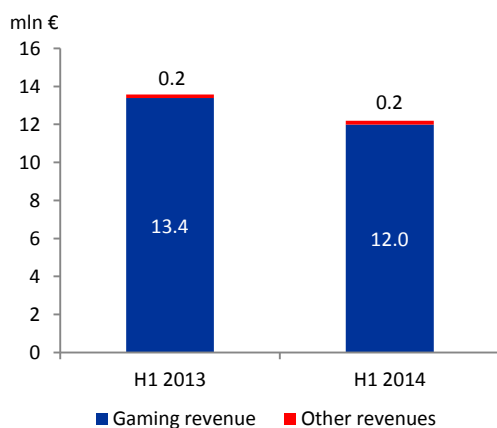


Poland

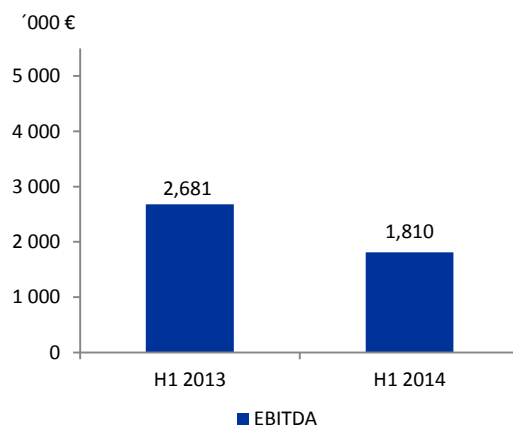
The sales revenues of Polish segment for H1 2014 amounted to EUR 12.2 million (-1.4 m€, -10.1%), EBITDA to EUR 1.8 million (-0.9 m€, -32.5%) and operating profit to EUR 1.5 million (-0.6 m€, -28.5%). Gaming revenue decreased 10.4% y-o-y amounting to EUR 12.0 million.

As at the end of H1 2014, there were 2 Olympic casinos with 215 slot machines and 39 gaming tables operating in Poland. As at 30 June 2014, the Polish operations employed 327 people.

Sales revenues



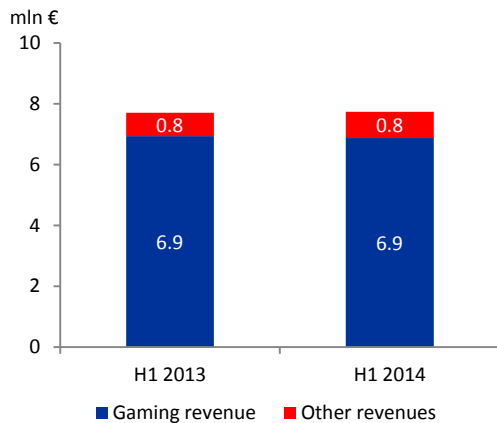
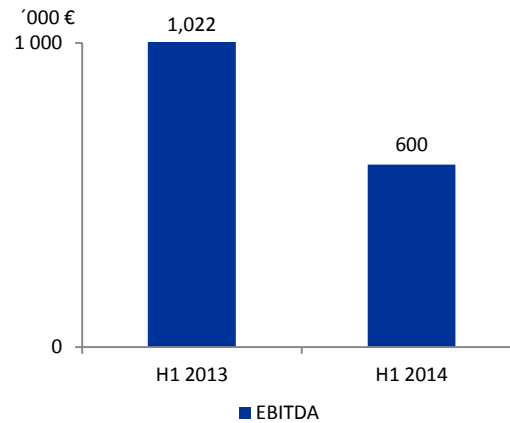
EBITDA



Slovakia

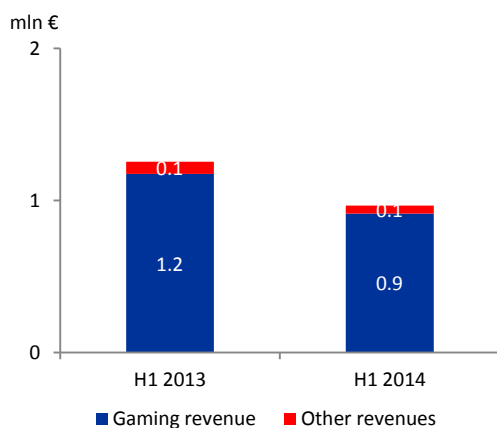
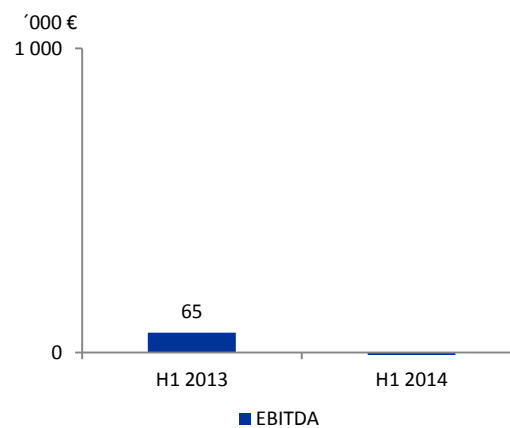
The sales revenues of Slovak segment for H1 2014 amounted to EUR 7.7 million (+0.0 m€, +0.4%), EBITDA to EUR 0.6 million (-0.4 m€, -41.4%) and operating profit to EUR 0.0 million (-0.4 m€, -90.6%). Gaming revenue decreased 0.9% y-o-y amounting to EUR 6.9 million.

As at the end of H1 2014, there were 6 Olympic casinos with 269 slot machines and 53 gaming tables operating in Slovakia. As at 30 June 2014, The Slovak operations employed 273 people.

Sales revenues**EBITDA****Belarus**

The sales revenues of Belarusian segment for H1 2014 amounted to EUR 1.0 million (-0.3 m€, -23.0%), EBITDA to EUR -0.2 million (-0.3 m€, -398.0%) and operating profit to EUR -0.2 million (-0.2 m€, -1,936.8%). Gaming revenue decreased 22.2% y-o-y amounting to EUR 0.9 million.

As at the end of H1 2014, there were 6 Olympic casinos with 245 slot machines operating in Belarus. As at 30 June 2014, the Belarusian operations employed 98 people.

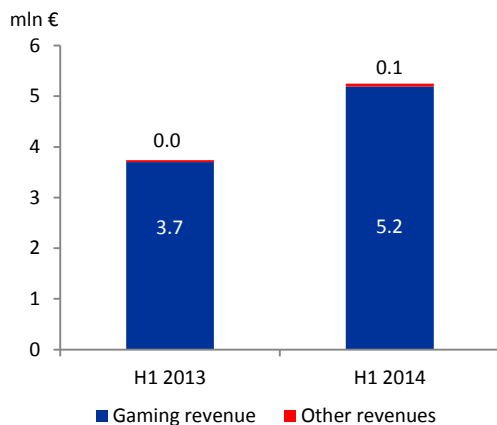
Sales revenues**EBITDA**

Italy

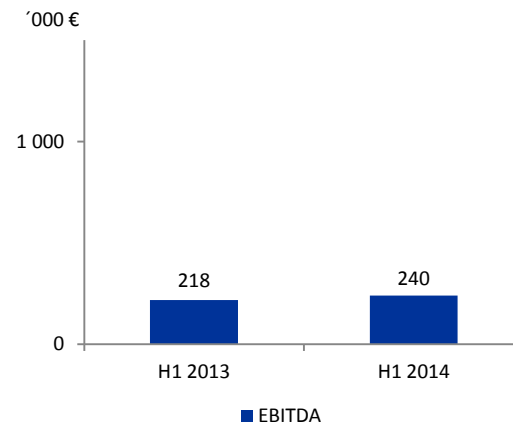
The sales revenues of Italian segment before deducting the gaming tax of Italy for H1 2014 amounted to EUR 5.2 million (+1.5 mln euro, +40.2%), EBITDA to EUR 0.2 million (+0.02 mln, +10.5%) and operating profit to EUR 0.1 million (+0.0 mln, +23.8%).

In April 2014 Olympic Entertainment Group AS has increased to 70% its holding in The Box S.r.l, a company that manages operations in Italy, which in turn has acquired a 100% holding in VLT operator Slottery S.r.l. As a result of this transaction at the end of H1 2014, there were 11 VLT slot casinos with 377 slot machines operating in Italy. As at 30 June 2014, the Italian operations employed 57 people.

Sales revenues



EBITDA



Financial position

As at 30 June 2014, the total assets of the Group amounted to EUR 115.4 million, up 14.3% or EUR 14.4 million compared to the same period a year ago.

Current assets totalled EUR 37.0 million or 32.0% of total assets, and non-current assets EUR 78.4 million or 68.0% of total assets. The liabilities amounted to EUR 17.6 million and equity to EUR 97.8 million. The largest liabilities included suppliers payables and advances (5.7 m€), tax liabilities (4.2 m€) and payables to employees (3.8 m€).

Investments

In H1 2014, the Group's expenditures on property, plant and equipment totalled EUR 9.5 million (+3.4 m€, +55.7%), of which EUR 4.2 million was invested into new gaming equipment (+0.5m€, +13.5%) and EUR 4.9 million (+2.5 m€, +104.2%) into construction of hotel and construction and reconstruction of casinos.

Cash flows

In H1 2014, the Group's cash flows generated from operating activities amounted to EUR 13.2 million (+2.5 m€, +23.9%) and cash flows from investing activities to EUR -13.6 million (-15.8 m€). Financing cash flows amounted to EUR -14.2 million (+3.6 mln euro, +20.1%). Net cash flows totalled EUR -14.6 million (-9.6 m€).

Staff

As at 30 June 2014, the Group employed 2,593 people, up by 32 y-o-y mostly due to expansion in Italy.

In H1 2014, total personnel expenses amounted to EUR 19.3 million (+2.4 m€, +13.9%). In H1 2014, 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 449 thousand (447 thousand in H1 2013) and EUR 77 thousand (EUR 78 thousand in H1 2013), 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, 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 directly and through the companies controlled by him a total of 6,458 Company's shares.



Meelis Pielberg – member of the Management Board and head of 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 three 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 23,141 Company's shares.

Shares of Olympic Entertainment Group AS

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

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

Movements in the share price (in EUR) and traded volume (number of securities) of Olympic Entertainment Group AS during the period of 01 January 2010 – 30 June 2014:



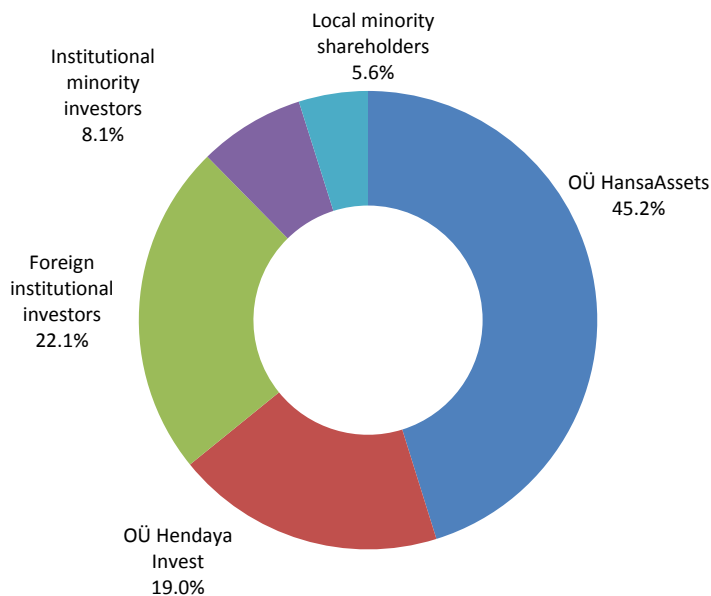
Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2010 – 30 June 2014:



Index/share	01 Jan 2010	30 Jun 2014	+/-%
— OMX Baltic Benchmark GI	314.42	611.24	94.40
— OMX Tallinn	404.58	802.26	98.29
— OEG1T	0.77 EUR	1.96 EUR	154.55

Largest shareholders of Olympic Entertainment Group AS at 30 June 2014:

OÜ HANSAASSETS	45.17%
OÜ Hendaya Invest	19.01%
SKANDINAVISKA ENSKILDA BANKEN S.A.	3.61%
J.P. MORGAN BANK LUXEMBOURG S.A.	3.03%
NORDEA BANK FINLAND PLC, CLIENTS	1.81%
ING LUXEMBOURG S.A. AIF ACCOUNT	1.66%
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION ON BEHALF OF US RESIDENTS	1.28%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.21%
FIREBIRD REPUBLICS FUND LTD	0.92%
Central Securities Depository of Lithuania	0.87%



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	30.06.2014	31.12.2013
ASSETS			
Current assets			
Cash and cash equivalents		30,013	44,582
Financial investments		1,229	1,086
Receivables and prepayments		4,175	2,946
Prepaid income tax		447	357
Inventories		1,089	1,001
Total current assets		36,953	49,972
Non-current assets			
Deferred tax assets		1,099	1,077
Financial investments		4,268	3,396
Other long-term receivables		696	670
Investment property	3	1,784	1,784
Property, plant and equipment	4	31,994	26,513
Intangible assets	5	38,575	34,865
Total non-current assets		78,416	68,305
TOTAL ASSETS		115,369	118,277
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	6	239	240
Trade and other payables		14,176	13,494
Income tax payable		426	776
Provisions		1,183	1,181
Total current liabilities		16,024	15,691
Non-current liabilities			
Deferred tax liability		219	246
Borrowings	6	1,341	369
Total non-current liabilities		1,560	615
TOTAL LIABILITIES		17,584	16,306
EQUITY			
Share capital		60,532	60,532
Statutory reserve capital		2,495	1,210
Other reserves		258	235
Translation reserves		-1,120	-1,204
Retained earnings		30,522	36,782
Total equity attributable to equity holders of the parent		92,687	97,555
Non-controlling interest		5,098	4,416
TOTAL EQUITY		97,785	101,971
TOTAL LIABILITIES AND EQUITY		115,369	118,277

Consolidated statement of comprehensive income

	Notes	Q2 2014	Q2 2013	H1 2014	H1 2013
Income from gaming transactions	8	34,977	31,766	67,696	62,650
Revenue	8	2,208	2,322	4,296	4,497
Other income	8	149	23	251	248
Total revenue and income		37,334	34,111	72,243	67,395
Cost of materials, goods and services		-794	-742	-1,517	-1,448
Other operating expenses		-17,926	-16,278	-34,453	-32,247
Staff costs		-9,796	-8,629	-19,290	-16,932
Depreciation, amortisation and impairment	4;5	-2,095	-2,092	-4,055	-4,200
Other expenses		-153	-34	-284	-95
Total operating expenses		-30,764	-27,775	-59,599	-54,922
Operating profit		6,570	6,336	12,644	12,473
Interest income		11	23	41	56
Interest expense		-7	-4	-10	-9
Foreign exchange losses		-4	-57	-6	-52
Other finance income and costs		0	0	-1	-621
Total finance income and costs		0	-38	24	-626
Profit from operating activities		6,570	6,298	12,668	11,847
Income tax expense		-811	-891	-1,773	-1,688
Net profit for the period		5,759	5,407	10,895	10,159
<i>Attributable to equity holders of the parent company</i>		<i>5,423</i>	<i>5,079</i>	<i>10,304</i>	<i>9,660</i>
<i>Attributable to non-controlling interest</i>		<i>336</i>	<i>328</i>	<i>591</i>	<i>499</i>
Other comprehensive income					
Currency translation differences		-21	-426	84	-852
Total comprehensive profit for the period		5,738	4,981	10,979	9,307
<i>Attributable to equity holders of the parent company</i>		<i>5,402</i>	<i>4,653</i>	<i>10,388</i>	<i>8,808</i>
<i>Attributable to non-controlling interest</i>		<i>336</i>	<i>328</i>	<i>591</i>	<i>499</i>
Basic earnings per share*	7	3.6	3.4	6.8	6.4
Diluted earnings per share*	7	3.6	3.4	6.8	6.4

* euro cents

Consolidated statement of cash flows

	Notes	H1 2014	H1 2013
Cash flows from operating activities			
Net profit		10,895	10,159
Adjustments:			
Depreciation, amortisation and impairment	4;5	4,055	4,200
Profit / loss on disposal of non-current assets (net)		65	-18
Income tax expense		1,773	1,688
Other financial income and expenses (net)		-24	626
Changes in working capital:			
Receivables and prepayments		-1,108	-997
Inventories		-88	30
Liabilities and prepayments		-104	-2,847
Interest paid		-6	-9
Corporate income tax paid		-2,260	-2,177
Net cash generated from operating activities		13,198	10,655
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-8,871	-5,944
Proceeds from sale of property, plant, equipment		29	49
Purchase of financial investments		-112	-1,379
Proceeds from sale of other financial investments		0	11,150
Acquisition of subsidiaries, net of cash acquired		-4,677	-1,807
Interest received		33	82
Net cash used in from investing activities		-13,598	2,151
Cash flows from financing activities			
Proceeds from loans received	6	1,078	0
Repayments of loans received	6	-122	-119
Repayments of finance leases		-1	-2
Dividends paid		-15,133	-17,630
Net cash used in financing activities		-14,178	-17,751
Net cash flows		-14,578	-4,945
Cash and cash equivalents at beginning of the period		44,582	35,973
Exchange gains and losses on cash and cash equivalents		9	-30
Cash and cash equivalents at end of the period		30,013	30,998

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent								Total equity
	Share capital	Share premium	Statutory reserve capital	Other reserves	Currency translation differences	Retained earnings	Total	Non-controlling interest	
Balance at 31.12.2012	60,532	0	0	141	-700	27,327	87,300	5,683	92,983
<i>Net profit for the period</i>	0	0	0	0	0	9,660	9,660	499	10,159
<i>Other comprehensive expense</i>	0	0	0	0	-852	0	-852	0	-852
Total comprehensive income for the period	0	0	0	0	-852	9,660	8,808	499	9,307
<i>Increase of statutory reserve capital</i>	0	0	1,210	0	0	-1,210	0	0	0
<i>Dividends paid</i>	0	0	0	0	0	-15,133	-15,133	-2,497	-17,630
<i>Employee option programme</i>	0	0	0	47	0	0	47	0	47
Total transactions with owners	0	0	1,210	47	0	-16,343	-15,086	-2,497	-17,583
Balance at 30.06.2013	60,532	0	1,210	188	-1,552	20,644	81,022	3,685	84,707
Balance at 31.12.2013	60,532	0	1,210	235	-1,204	36,782	97,555	4,416	101,971
<i>Net profit for the period</i>	0	0	0	0	0	10,304	10,304	591	10,895
<i>Other comprehensive income</i>	0	0	0	0	84	0	84	0	84
Total comprehensive income for the period	0	0	0	0	84	10,304	10,388	591	10,979
<i>Increase of statutory reserve capital</i>	0	0	1,285	0	0	-1,285	0	0	0
<i>Dividends paid</i>	0	0	0	0	0	-15,133	-15,133	0	-15,133
<i>Employee option programme</i>	0	0	0	23	0	0	23	0	23
Total transactions with owners	0	0	1,285	23	0	-16,418	-15,110	0	-15,110
Acquired through business combinations	0	0	0	0	0	0	0	127	127
Other adjustments	0	0	0	0	0	-146	-146	-36	-182
Balance at 30.06.2014	60,532	0	2,495	258	-1,120	30,522	92,687	5,098	97,785

Notes to the consolidated interim financial statements

Note 1 Summary of significant accounting policies

Olympic Entertainment Group AS (hereinafter the "Company") is a company registered in Estonia at 15 November 1999. The consolidated interim financial statements of the Company prepared for the reporting period ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the "Group").

This condensed consolidated interim financial information was approved by the management for issue on 29 July 2014.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2013 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 2013.

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 2013.

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 2013, 46% of the income from gaming transactions accumulated in the first half of the year, with 54% accumulating in the second half.

Note 3 Investment property

	Land	Buildings	Total
At 31 December 2013	1,343	441	1,784
At 30 June 2014	1,343	441	1,784

Note 4 Property, plant and equipment

	Land and buildings	Renovation expenditures	Machinery & equipment	Other PP&E	Construction in progress	Total
At 31 December 2013	31	9,116	14,176	1,602	1,588	26,513
Additions	0	231	4,176	442	4,630	9,479
Disposals	0	0	-99	0	0	-99
Write-offs	0	0	-6	-1	0	-7
Reclassifications	0	1,119	677	153	-1,954	-5
Depreciation charge	-3	-1,266	-2,275	-322	0	-3,866
Exchange differences	0	-1	-8	-2	-10	-21
At 30 June 2014	28	9,199	16,641	1,872	4,254	31,994

Note 5 Intangible assets

	Goodwill	Software and licences	Total
At 31 December 2013	33,743	1,122	34,865
Additions	3,668	224	3,892
Reclassifications	0	5	5
Amortisation charge	0	-182	-182
Exchange differences	-5	0	-5
At 30 June 2014	37,406	1,169	38,575

Note 6 Borrowings

	30.06.2014	31.12.2013
Short-term borrowings		
Current portion of financial lease liability	1	2
Current portion of a long-term bank loan	238	238
Total short-term borrowings	239	240
Long-term borrowings		
Non-current portion of financial lease liability	7	7
Non-current portion of a long-term bank loan	203	325
Non-current portion of a long-term loan	1,078	0
Other borrowings	53	37
Total long-term borrowings	1,341	369
Total borrowings	1,580	609

Jackpot Game S.r.l. and Banca 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%.

The Box S.r.l. and G Holding S.r.l. have concluded the loan agreement with the due date of 31 December 2017. The annual interest rate is 6-month Euribor + 2.0%.

Note 7 Equity

The General Meeting of Shareholders held at 25 April 2014 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 13 May 2014.

Earnings per share

	Q2 2014	Q2 2013	H1 2014	H1 2013
Net profit for the period	5,423	5,079	10,304	9,660
Weighted average number of shares outstanding (in thousands)	151,329	151,329	151,329	151,329
Basic earnings per share (euro cents)	3.6	3.4	6.8	6.4
Diluted earnings per share (euro cents)	3.6	3.4	6.8	6.4

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

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

On 21 July 2014 the supervisory board of Olympic Entertainment Group AS has adopted a resolution to increase the share capital of the Company by EUR 184,680.40 by issuing shares without nominal value. The amount of share capital of the Company after the issuing of new shares is EUR 60,716,482.40. The increase of share capital relates to share option agreements concluded by the Company in 2011 and the exercise of options by option holders.

Note 8 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis on external sales revenue and operating profit. At 30 June 2014, 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 until 31 October 2013. Management estimates that inter-segment transactions have been concluded at market prices and under market conditions.

Q2 2014	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	8,078	10,331	4,906	5,882	3,682	467	3,565	36,911
Gaming tax of Italy	0	0	0	0	0	0	-1,933	-1,933
Revenue	479	936	300	93	429	27	41	2,305
Inter-segment revenue	-98	0	0	0	0	0	0	-98
External revenue	8,459	11,267	5,206	5,975	4,111	494	1,673	37,185
Other external revenue	3	30	0	0	71	45	0	149
Total revenue	8,462	11,297	5,206	5,975	4,182	539	1,673	37,334
Total expenses	-6,835	-7,648	-4,530	-5,297	-4,098	-681	-1,675	-30,764
Incl. Depreciation, amortisation and impairment losses	-478	-803	-252	-173	-282	-12	-95	-2,095
Total operating profit (-loss)	1,627	3,649	676	678	84	-142	-2	6,570

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

H1 2014	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	15,538	19,885	10,079	11,998	6,875	913	5,193	70,481
Gaming tax of Italy	0	0	0	0	0	0	-2,784	-2,784
Revenue	862	1,798	626	197	861	53	54	4,451
Inter-segment revenue	-153	-1	0	-2	0	0	0	-156
External revenue	16,247	21,682	10,705	12,193	7,736	966	2,463	71,992
Other external revenue	5	32	1	0	168	45	0	251
Total revenue	16,252	21,714	10,706	12,193	7,904	1,011	2,463	72,243
Total expenses	-13,296	-14,933	-9,140	-10,738	-7,867	-1,223	-2,402	-59,599
Incl. Depreciation, amortisation and impairment losses	-938	-1,492	-511	-354	-561	-19	-180	-4,055
Total operating profit (-loss)	2,956	6,781	1,566	1,455	37	-212	61	12,644

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

Note 9 Transactions with related parties

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

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

<u>Purchase of goods and services</u>	<u>H1 2014</u>	<u>H1 2013</u>
Shareholders with significant influence	1	0
Total	1	0

As at 30.06.2014 and 31.12.2013, there were no balances of receivables and liabilities.

In H1 2014, 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 449 thousand (H1 2013: EUR 447 thousand) and EUR 77 thousand (H1 2013: EUR 78 thousand), respectively.