

Olympic Entertainment Group AS

Consolidated interim financial statements for the 1st quarter of 2011 (unaudited)

Beginning of reporting period	1 January 2011
End of reporting period	31 March 2011
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Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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Management report

Corporate profile

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

Olympic Entertainment Group AS is the Group's ultimate holding company, organising the strategic management and financing of the Group. The operations of local casinos are controlled by local subsidiaries which include Olympic Casino Eesti AS in Estonia, Olympic Casino Latvia SIA in Latvia, Olympic Casino Group Baltija UAB in Lithuania, Casino Polonia-Wroclaw Sp. Z.o.o. in Poland, Olympic Casino Slovakia S.r.o in Slovakia, Olympic Casino Bel IP in Belarus and Olympic Casino Bucharest S.r.l. in Romania. In Estonia, Latvia, Lithuania, Slovakia and Romania the Group's non-core activities, such as managing the hotel in Tallinn and managing casino bars, are separated from casino operations and performed by respective specialised legal persons. Most of the Group's casino properties operate under the trademark of Olympic Casino.

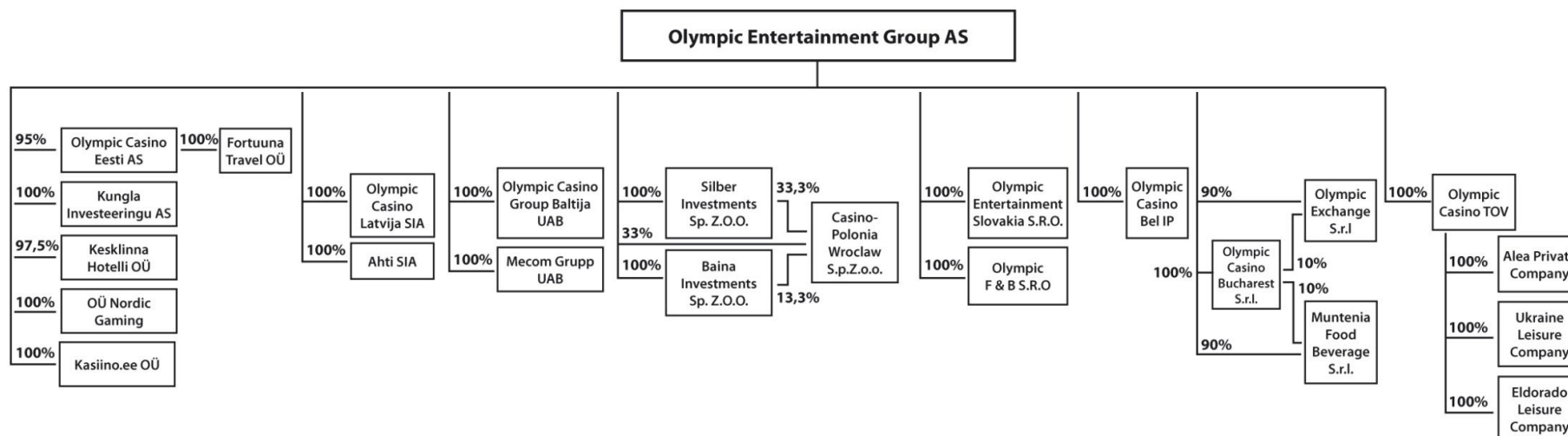
Group entities include:

	Domicile	Ownership 31.03.2011	Ownership 31.12.2010	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Organisation of gaming
Kungla Investeeringu AS	Estonia	100%	100%	Hotel services, catering
Kesklinna Hotelli OÜ	Estonia	97,5%	97,5%	Hotel services
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	95%	95%	Casino tourism
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	100%	100%	Organisation of gaming
Ahti SIA	Latvia	100%	100%	Bar services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Organisation of gaming
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
Silber Investments Sp. Z o.o.	Poland	100%	100%	Holding activities
Baina Investments Sp. Z o.o.	Poland	100%	100%	Holding activities
Casino-Polonia Wroclaw Sp.Z.o.o.	Poland	80%	80%	Organisation of gaming
Olympic Casino Slovakia S.r.o	Slovakia	100%	100%	Organisation of gaming
Olympic F & B S.r.o.	Slovakia	100%	100%	Bar services
Olympic Casino Bel IP	Belarus	100%	100%	Organisation of gaming
Olympic Casino Bucharest S.r.l.	Romania	100%	100%	Organisation of gaming
Muntenia Food Beverage S.r.l	Romania	100%	100%	Bar services
Olympic Exchange S.r.l	Romania	100%	100%	Foreign exchange services
Olympic Casino Ukraine TOV	Ukraine	100%	100%	Bankrupt
Alea Private Company	Ukraine	100%	100%	Bankrupt
Eldorado Leisure Company	Ukraine	100%	100%	Bankrupt
Ukraine Leisure Company	Ukraine	100%	100%	Bankrupt

The Group operates slot and gaming table casinos as well as casino bars at most of the casinos of its subsidiaries. At 31 March 2011, the Group had a total of 65 casinos: 17 in Estonia, 21 in Latvia, 11 in Lithuania, 6 in Poland, 3 in Slovakia, 5 in Belarus and 2 in Romania. The Group employed 2,156 employees in 7 countries.

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

Group's structure at 31 March 2011



Key performance indicators

Discontinued and continuing operations combined (in millions of euros)

	Q1 2011	Q1 2010
Revenue	31.1	26.3
EBITDA	6.3	4.4
Operating profit	0.6	0.1
Net profit / (loss)	0.2	-0.3
EBITDA margin	20.1%	16.7%
Operating margin	2.0%	0.4%
Net margin	0.6%	-1.1%
Equity ratio	78.7%	73.9%
Number of casinos at period-end	65	67
Casino area (m ²) at period-end	24,658	26,221
Number of slot machines at period-end	2,494	2,511
Number of gaming tables at period-end	184	200

Underlying formulas:

- o EBITDA = earnings before financial expenses, taxes, depreciation and amortisation and impairment losses
- o Operating profit = profit before financial expenses and taxes
- o Net profit = net profit for the period less non-controlling interests
- o EBITDA margin = EBITDA / revenue
- o Operating margin = operating profit / revenue
- o Net margin = net profit / revenue
- o Equity ratio = equity / total assets

Overview of the Group's key events and developments in Q1 2011:

- The Group earned a net profit in Q1 2011 – the consolidated net profit after corporate income tax totalled 0.2 million euros in Q1 2011. In Q1 2010, the Group incurred a net loss of 0.3 million euros.
- The efficiency of the Group's business operations improved. In Q1 2011, the Group's revenue totalled 31.1 million euros, i.e. 18.3% more than the revenue for Q1 2010. The number of casinos in operation declined by 2 casinos or 3% period-over-period.
- As planned, the Group increased its market share. At Q1 2011, the Group's market share was 53% in Estonia, 20% in Latvia and 73% in Lithuania. At Q1 2010, its market share was 52% in Estonia, 19% in Latvia and 64% in Lithuania.

In conjunction with the goal of increasing the efficiency of the Group's business activities, it was decided to sell the Romanian subsidiaries, driven from the ending of licence term 1 casino was closed in Poland, as a result of all which an impairment loss was also recognised for assets in the amount 2.9 million euros.

In Q1 2011, the Group's consolidated sales revenue totalled 29.1 million euros and the revenue totalled 31.1 million euros which is 18.3% more than the total revenue of 26.3 million euros earned in Q1 2010. The Group's EBITDA increased by 4.4 million euros from Q1 2010 to 6.3 million euros in Q1 2011. In Q1 2011, the operating profit totalled 0.6 million euros, in Q1 2010, the operating profit totalled 0.1 million euros.

In Q1 2011, gaming operations accounted for 87% and other revenue 13% of the Group's consolidated revenue, the respective percentages for Q1 2010 were 93% and 7%.

External revenue by segments

(thousands of euros)	Q1 2011	Change	Percentage	Q1 2010	Percentage
Estonia	8,448	35.78%	27.14%	6,222	23.64%
Latvia	6,421	12.47%	20.63%	5,709	21.69%
Lithuania	4,456	11.32%	14.31%	4,003	15.21%
Poland	7,534	16.70%	24.20%	6,456	24.53%
Slovakia	2,432	16.25%	7.81%	2,092	7.95%
Belarus	879	33.99%	2.82%	656	2.49%
Romania	959	-19.14%	3.08%	1,186	4.51%
Total	31,129	18.25%	100%	26,324	100%

At the end of Q1 2011, the Group had 65 casinos, with the total area of 24,658 m². At the end of Q1 2010, the number of the Group's casinos was 67, and their total area was 26,221 m².

Number of casinos by segment

	31.03.2011	31.03.2010
Estonia	17	18
Latvia	21	21
Lithuania	11	10
Poland	6	9
Slovakia	3	2
Belarus	5	5
Romania	2	2
Total	65	67

In Q1 2011, the Group's consolidated operating expenses before depreciation, amortisation and impairment increased by 13.7% or 2.9 million euros as compared to the respective expenses in Q1 2010. Operating licences and gaming taxes increased the most as compared to 2010, 12.6% or 0.8 million euros, staff costs by 6.5% or 0.5 million euros and maintenance costs of gaming areas by 9.7% or 0.1 million euros.

Staff costs with social security taxes made up the largest share of the Group's operating expenses before depreciation, amortisation and impairment losses, i.e. 7.8 million euros, followed by gaming tax expenses of 6.8 million euros, rental expenses of 2.6 million euros and marketing expenses of 2.3 million euros.

In Q1 2011, the consolidated net profit after tax totalled 0.2 million euros. In Q1 2010, the net loss after tax totalled 0.1 million euros.

Overview by market

Estonian segment

In Q1 2011, external revenue of the Estonian segment totalled 8.4 million euros, of which the gaming revenue 5.9 million euros and other income totalled 2.5 million euros. External revenue of the Estonian segment increased by 36.3% as compared to the previous quarter. The decline in the gaming market in Estonia was 3.5% in Q1 2011 as compared to Q1 2010. The market share of Olympic Casino Eesti AS in the Estonian gaming market was 53% at the end of Q1 2011. At the end of Q1 2010, the market share of Olympic Casino Eesti AS was 50%.

In Q1 2011, the EBITDA of the Estonian segment was 2.9 million euros and the operating profit was 1.8 million euros. In Q1 2010, the EBITDA of the Estonian segment totalled 0.9 million euros and the operating loss totalled 0.3 million euros.

At the end of Q1 2011, there were 17 Olympic casinos with 699 slot machines and 19 gaming tables in operation in Estonia.

Latvian segment

In Q1 2011, external revenue of the Latvian segment totalled 6.4 million euros, of which the gaming revenue 5.9 million euros and other income totalled 0.5 million euros. External revenue of the Latvian segment increased by 12.3% as compared to the previous quarter. The increase in the gaming market in Latvia was 13.5% in Q1 2011 as compared to Q1 2010. The market share of Olympic Casino Latvia SIA in the Latvian gaming market was 20% at the end of Q1 2011. At the end of Q1 2010, the market share of Olympic Casino Latvia SIA was 19%.

In Q1 2011, the EBITDA of the Latvian segment was 2.4 million euros and the operating profit was 1.4 million euros. In Q1 2010, the EBITDA of the Latvian segment totalled 1.9 million euros and the operating profit totalled 0.9 million euros.

At the end of Q1 2011, there were 21 Olympic casinos with 647 slot machines and 24 gaming tables in operation in Latvia.

Lithuanian segment

In Q1 2011, external revenue of the Lithuanian segment totalled 4.5 million euros, of which the gaming revenue 4.1 million euros and other income totalled 0.4 million euros. External revenue of the Lithuanian segment increased by 12.5% as compared to the previous quarter. The decline in the gaming market in Lithuania was 2% in Q1 2011 as compared to Q1 2010. The market share of Olympic Casino Group Baltija UAB in the Lithuanian gaming market was 73% at the end of Q1 2011. At the end of Q1 2010, the market share of Olympic Casino Group Baltija UAB was 64%.

In Q1 2011, the EBITDA of the Lithuanian segment was 0.9 million euros and the operating profit was 0.4 million euros. In Q1 2010, the EBITDA of the Lithuanian segment totalled 0.4 million euros and the operating loss totalled 0.2 million euros.

At the end of Q1 2011, there were 11 Olympic casinos with 376 slot machines and 52 gaming tables in operation in Lithuania.

Polish segment

In Q1 2011, external revenue of the Polish segment totalled 7.5 million euros, of which the gaming revenue 7.4 million euros and other income totalled 0.1 million euros. External revenue of the Polish segment increased by 15.8% as compared to the previous quarter.

In Q1 2011, the EBITDA of the Polish segment was 1.1 million euros and the operating loss was 0.1 million euros. The operating loss includes the impairment losses related to the closing of one casino in the amount of 0.4 million euros. In Q1 2010, the EBITDA of the Polish segment totalled 0.6 million euros and the operating loss totalled 0.3 million euros.

At the end of Q1 2011, there were 6 Olympic casinos with 309 slot machines and 42 gaming tables in operation in Poland.

Slovak segment

In Q1 2011, external revenue of the Slovak segment totalled 2.4 million euros, of which the gaming revenue 2.2 million euros and other income totalled 0.2 million euros. External revenue of the Slovak segment increased by 16.3% as compared to the previous quarter.

In Q1 2011, the EBITDA of the Slovak segment was 0.4 million euros and the operating profit was 0.1 million euros. In Q1 2010, the EBITDA of the Slovak segment totalled 0.4 million euros and the operating profit totalled 0.1 million euros.

At the end of Q1 2011, there were 3 Olympic casinos with 144 slot machines and 30 gaming tables in operation in Slovakia.

Belarusian segment

In Q1 2011, external revenue of the Belarusian totalled 0.9 million euros, of which the gaming revenue 0.8 million euros and other income totalled 0.1 million euros. External revenue of the Belarusian segment increased by 33.8% as compared to the previous quarter.

In Q1 2011, the EBITDA of the Belarusian segment was 0.3 million euros and the operating loss was 0.1 million euros. In Q1 2010, the EBITDA of the Belarusian segment totalled 0.1 million euros and the operating loss totalled 0.1 million euros.

At the end of Q1 2011, there were 5 Olympic casinos with 240 slot machines in operation in Belarus.

Romanian segment

In Q1 2011, external revenue of the Romanian totalled 1.0 million euros, of which the gaming revenue 0.8 million euros and other income totalled 0.2 million euros. External revenue of the Romanian segment declined by 18.8% as compared to the previous quarter.

In Q1 2011, the EBITDA of the Romanian segment was -1.6 million euros and the operating loss was 3.1 million euros. The operating loss includes the impairment losses related to the sale of Romanian subsidiaries in the amount of 2.5 million euros (see note 9 in the interim financial statements). In Q1 2010, the EBITDA of the Romanian segment totalled 0.0 million euros and the operating loss totalled 0.2 million euros.

At the end of Q1 2011, there were 2 Olympic casinos with 79 slot machines and 13 gaming tables in operation in Romania.

Financial position

At 31 March 2011, the consolidated balance sheet total of the Group was 105.8 million euros (31 March 2010: 107.7 million euros). The balance sheet total decreased by 1.8% in a quarter, primarily related to the impairment of assets.

Current assets accounted for 45.3 million euros or 42.8% of total assets and non-current assets for 60.5 million euros or 57.2% of total assets. Intangible assets accounted for 28.8 million euros or 47.6% of non-current assets.

At the balance sheet date, consolidated liabilities totalled 21.1 million euros and the consolidated equity amounted to 84.7 million euros. The largest liability items included borrowings of 8.5 million euros, tax liabilities of 4.7 million euros and payables to employees of 3.1 million euros.

Investments

In Q1 2011, the Group's expenditures on property, plant and equipment totalled 0.4 million euros, of which 0.2 million euros was spent on reconstruction of casinos and 0.1 million euros was spent on new gaming equipment. In Q1 2011, expenditures on intangible assets totalled 0.02 million euros.

In Q1 2010, total expenditures on property, plant and equipment, and intangible assets were 1.6 million euros.

Cash flows

In Q1 2011, the Group's cash flows from operating activities were 7.3 million euros. Cash flows used in investing activities totalled -0.5 million euros and cash flows used in financing activities totalled -0.8 million euros. Net cash flows totalled 6.1 million euros.

In Q1 2010, the Group's cash flows from operating activities were 3.1 million euros. Cash flows from investing activities totalled 2.6 million euros and cash flows used in financing activities totalled -1.2 million euros. Net cash flows totalled 4.6 million euros.

Staff

At 31 March 2011, the Group employed 2,156 people (31 December 2010: 2,115): 461 in Estonia, 441 in Latvia, 518 in Lithuania, 337 in Poland, 161 in Slovakia, 94 in Belarus and 144 in Romania.

In Q1 2011, employee wages and salaries including social security taxes in the Group amounted to 7.8 million euros (Q1 2010: 7.3 million euros). In Q1 2011, the remuneration and benefits of the Group's Supervisory and Management Board including social security taxes totalled 0.08 million euros (Q1 2010: 0.08 million euros).

Overview of the main risks

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

Business risks

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

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

Currency risk

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

Internal transactions of the Group are primarily concluded in euros. The equity of the Group is influenced by a change in the exchange rate of the Belarusian ruble, Polish zloty and Romanian leu to the euro.

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

Interest rate risk

The Group's term deposits are with fixed interest rates. The Group has invested in Lithuanian Government Bonds, which interest rates are fixed.

The interest rate on the loan assumed by the Group is fixed 5.45% p.a.

Credit risk

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

Management and Supervisory Boards

The Supervisory Board of Olympic Entertainment Group AS comprises four members, the Chairman of the Supervisory Board is Armin Karu and the members of the Supervisory Board are Jaan Korpusov, Liina Linsi and Peep Vain.

The Management Board of Olympic Entertainment Group AS comprises two members: Indrek Jürgenson and Madis Jääger. In the everyday management activities, the Management Board of the Company is independent and is guided by the best interests of all shareholders, thereby ensuring sustainable development of the Company according to the set objectives and strategy. The Management Board also ensures the functioning of internal control and risk management procedures in the Company.

Information about the education and employment history of the members of the Management and Supervisory Boards is available on the Company's website www.olympic-casino.com.

Shares of Olympic Entertainment Group AS

Olympic Entertainment Group AS is listed in main list of the Tallinn Stock Exchange from 23 October 2006, the Company has issued 151.0 million ordinary shares with the nominal value of 10 Estonian kroons. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on the Warsaw Stock Exchange. The registered size of the share capital of Olympic Entertainment Group AS is 1,513,295,050 Estonian kroons, which consists of 151,329,505 shares with the nominal value of 10 Estonian kroons (0.64 euros) each.

ISIN	EE3100084021
Ticker symbol	OEG1T
Market	BALTIC MAIN LIST
Nominal value	10,00 EEK
Number of securities issued	151 329 505
Number of listed securities	151 329 505
Listing date	23.10.2006

Movements in the share price (in EUR) and traded volume (number of securities) of Olympic Entertainment Group AS:



Largest shareholders of Olympic Entertainment Group AS as at 31 March 2011:

OÜ HANSA ASSETS	45.87%
OÜ HENDAYA INVEST	19.28%
NORDEA BANK FINLAND PLC/ NON-RESIDENT LEGAL ENTITIES	3.41%
Central Securities Depository of Lithuania	2.75%
CITIBANK (LONDON)/ UBS AG LONDON BRANCH-IPB CLIENT ACCOUNT	1.78%
ING LUXEMBOURG S.A.	1.61%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.48%
Skandinaviska Enskilda Banken Ab Clients	1.47%
BNYM / ING BANK SLAKSI A/C ING PARASOL	1.32%
FIREBIRD AVRORA FUND, LTD.	1.31%

Consolidated interim financial statements

Consolidated statement of financial position

	Notes	31.03.2011	31.12.2010
ASSETS			
Current assets			
Cash and cash equivalents		35,045	28,960
Financial investments		3,892	3,937
Receivables and prepayments		3,955	4,959
Prepaid income tax		573	734
Inventories		986	1,416
Non-current assets held for sale		807	1,105
Total current assets		45,258	41,111
Non-current assets			
Deferred tax assets		1,085	1,098
Financial investments		931	927
Other long-term receivables		976	949
Investment property	2	1,414	1,414
Property, plant and equipment	3	27,332	33,135
Intangible assets	4	28,777	29,062
Total non-current assets		60,515	66,585
TOTAL ASSETS		105,773	107,696
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	5	3,109	3,109
Trade and other payables		10,082	10,782
Income tax payable		1,205	833
Provisions		961	1,694
Total current liabilities		15,357	16,418
Non-current liabilities			
Deferred tax liability		252	313
Borrowings	5	5,453	6,231
Total non-current liabilities		5,705	6,544
TOTAL LIABILITIES		21,062	22,962
EQUITY			
Share capital		96,717	96,717
Share premium		14,535	14,535
Statutory reserve capital		2,413	2,413
Translation reserves		514	740
Accumulated losses		-33,520	-33,703
Total equity attributable to equity holders of the parent		80,659	80,702
Non-controlling interest		4,052	4,032
TOTAL EQUITY		84,711	84,734
TOTAL LIABILITIES AND EQUITY		105,773	107,696

Consolidated statement of comprehensive income

	Notes	Q1 2011	Q1 2010
Income from gaming transactions		27,183	24,469
Revenue		1,910	1,672
Other income		2,036	183
Total revenue and income		31,129	26,324
Cost of materials, goods and services		-672	-602
Other operating expenses		-14,837	-13,980
Staff costs		-7,777	-7,306
Depreciation, amortisation and impairment	3;4	-5,629	-4,294
Other expenses		-1,580	-40
Total operating expenses		-30,495	-26,222
Operating profit		634	102
Interest income		75	65
Interest expense		-126	-234
Foreign exchange gains (losses)		25	-17
Other finance income and costs		-2	-2
Total finance income and costs		-28	-188
Profit (loss) from operating activities		606	-86
Income tax expense		-403	-14
Net profit (loss) for the period		203	-100
<i>Attributable to equity holders of the parent company</i>		183	-343
<i>Attributable to non-controlling interest</i>		20	243
Other comprehensive income (loss)			
Currency translation differences		-226	1,468
Total comprehensive profit (loss) for the period		-23	1,368
<i>Attributable to equity holders of the parent company</i>		-43	1,125
<i>Attributable to non-controlling interest</i>		20	243
Basic earnings (loss) per share (euro cent)	6	0.1	-0.2
Diluted earnings (loss) per share (euro cent)	6	0.1	-0.2

Consolidated statement of cash flows

	Notes	Q1 2011	Q1 2010
Cash flows from operating activities			
Net profit (loss)		203	-100
Adjustments:			
Depreciation, amortisation and impairment	3;4	5,629	4,294
Loss on disposal of non-current assets (net)		145	38
Gain on disposal of investment property		0	-2
Other financial income and expenses (net)		28	188
Changes in working capital:			
Receivables and prepayments		1,141	-991
Inventories		430	-47
Non-current assets held for sale		298	102
Liabilities and prepayments		-392	-19
Interest paid		-127	-235
Corporate income tax paid		-8	-98
Net cash from operating activities		7,347	3,130
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-637	-541
Proceeds from sale of property, plant, equipment and intangible assets		0	42
Proceeds from sale of investment property		0	64
Proceeds from sale of financial investments		0	3,009
Interest received		123	63
Net cash (used in) from investing activities		-514	2,637
Cash flows from financing activities			
Repayments of loans received	5	-777	-1,177
Net cash used in financing activities		-777	-1,177
Net cash flows		6,056	4,590
Cash and cash equivalents at beginning of the period		28,690	18,283
Exchange gains and losses on cash and cash equivalents		29	35
Cash and cash equivalents at end of the period		35,045	22,908

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent					Non-controlling interest	Total equity
	Share capital	Share premium	Statutory reserve capital	Translation differences	Accumulated losses		
At 31.12.2009	96,507	14,525	2,413	25	-34,861	4,076	82,685
Total comprehensive profit for the period	0	0	0	1,468	-343	243	1,368
At 31.03.2010	96,507	14,525	2,413	1,493	-35,204	4,319	84,053
At 31.12.2010	96,507	14,525	2,413	740	-33,703	4,032	84,734
Total comprehensive loss for the period	0	0	0	-226	183	20	-23
At 31.03.2011	96,507	14,525	2,413	514	-33,520	4,052	84,711

Notes to the consolidated interim financial statements

Note 1 Accounting policies

Olympic Entertainment Group AS (hereinafter the "Company") is a company registered in Estonia at 15 November 1999. The consolidated interim financial statements of the Company prepared for the reporting period ended 31 March 2011 comprise the Company and its subsidiaries (together referred to as the "Group").

This condensed consolidated interim financial information was approved by the management for issue on 4 May 2011.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2010 are available upon request from the Company's registered office at Pronksi 19, Tallinn and at the Company's website at www.olympic-casino.com.

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial statements do not include all of the information required by complete set of financial statements and should be read in conjunction with annual consolidated financial statements of the Group as at and for the year ended 31 December 2010.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2010.

At 1 January 2011, the Republic of Estonia joined the euro area and adopted the euro as a national currency, replacing the Estonian kroon. Consequently, the functional currency of the Group is the euro. The financial statements are presented in thousands of euros. Comparative figures are recalculated to euros using the conversion rate of EUR 1 = EEK 15.6466, which is the fixed exchange rate that was applicable also in the earlier periods.

Note 2 Investment property

	Land	Buildings	Total
At 31.12.2010	1,318	96	1,414
At 31.03.2011	1,318	96	1,414

Note 3 Property, plant and equipment

	Land and buildings	Renovation expenditures	Plant and equipment	Other PP&E	Under construction	Total
At 31.12.2010	313	12,775	17,542	1,650	855	33,135
Additions	0	194	129	8	50	381
Disposals	0	0	-675	-8	0	-683
Write-offs	0	-209	-182	-51	0	-442
Reclassifications	0	-760	967	9	-216	0
Depreciation charge	-8	-997	-2,567	-226	0	-3,798
Impairment charge	0	-992	-10	-183	0	-1,185
Exchange differences	0	22	-94	1	-5	-76
At 31.03.2011	305	10,033	15,110	1,200	684	27,332

Note 4 Intangible assets

	Goodwill	Software and licences	Total
At 31.12.2010	27,800	1,262	29,062
Additions	0	16	16
Amortisation charge	0	-137	-137
Impairment charge	0	-67	-67
Exchange differences	-93	-4	-97
At 31.03.2011	27,707	1,070	28,777

Note 5 Borrowings

	31.03.2011	31.12.2010
Short-term borrowings		
Current portion of long-term debt	3,109	3,109
Total short-term borrowings	3,109	3,109
Long-term borrowings		
Non-current portion of long-term debt	5,440	6,217
Other borrowings	13	14
Total long-term borrowings	5,453	6,231
Total borrowings	8,562	9,340

Note 6 Equity

	Q1 2011	Q1 2010
Net profit (loss) for the period	183	-343
Weighted average number of shares outstanding (in thousands)	151,329	151,000
Basic earnings (loss) per share (euro cents)	0,1	-0,2
Diluted earnings (loss) per share (euro cents)	0,1	-0,2

The calculation of basic earnings (loss) per share is based on the net profit (loss) attributable to the shareholders of the parent and the weighted average number of shares.

Note 7 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis on external sales revenue and operating profit. At 31 March 2011, the Group had operations in the Estonian, Latvian, Lithuanian, Polish, Slovak, Belarusian and Romanian markets.

All segments generate majority of their income from gaming transactions. In addition, Estonian segment is engaged in hotel services. Management estimates that inter-segment transactions have been concluded at market prices and under market conditions.

Q1 2011	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Romania	Total
Segment revenue	6,525	6,418	4,425	7,523	2,432	879	944	29,146
Inter-segment revenue	-36	-7	-10	0	0	0	0	-53
External revenue	6,489	6,411	4,415	7,523	2,432	879	944	29,093
Other external revenue	1,959	10	41	11	0	0	15	2,036
Total revenue	8,448	6,421	4,456	7,534	2,432	879	959	31,129
Total expenses	-6,625	-4,987	-4,091	-7,654	-2,307	-818	-4,013	-30,495
Incl. depreciation, amortisation and impairment charges	-1,028	-954	-523	-1,221	-248	-212	-1,443	-5,629
Total operating profit (loss)	1,823	1,434	365	-120	125	61	-3,054	634

Q1 2010	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Romania	Total
Segment revenue	6,201	5,696	4,003	6,435	2,092	644	1,140	26,211
Inter-segment revenue	-55	-15	0	0	0	0	0	-70
External revenue	6,146	5,681	4,003	6,435	2,092	644	1,140	26,141
Other external revenue	76	28	0	21	0	12	46	183
Total revenue	6,222	5,709	4,003	6,456	2,092	656	1,186	26,324
Total expenses	-6,483	-4,835	-4,176	-6,730	-1,844	-759	-1,395	-26,222
Incl. depreciation, amortisation and impairment charges	-1,157	-1,047	-567	-872	-200	-218	-233	-4,294
Total operating profit (loss)	-261	874	-173	-274	248	-103	-209	102

Note 8 Transactions with related parties

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

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

<u>Purchase of goods and services</u>	Q1 2011	Q1 2010
Shareholders with significant influence	19	25
Total	19	25

As at 31.03.2011 and 31.12.2010, there were no balances of receivables and liabilities.

In Q1 2011, remuneration and benefits, including social security taxes of the members of the Supervisory and Management Board totalled 84 thousand euros, in Q1 2010, 78 thousand euros.

Note 9 Events after the balance sheet date

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. The total consideration to be received is 0.5 million euros and the extraordinary loss from the sale of Romanian subsidiaries is in the amount of 2.5 million euros.

Resulting from the sale of Romanian subsidiaries the impairment of non-current assets in the amount of 1,252 thousand euros was recognised as at the balance sheet date the recoverable amount of these assets were not higher of their book values. For the same reason an impairment charge was recognised also to other assets in the amount of 1,248 thousand euros.

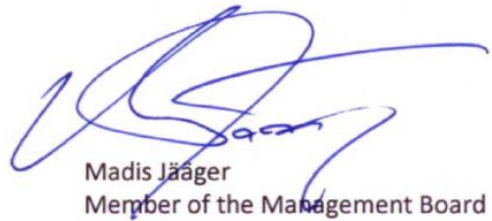
Signatures of the Management Board to the consolidated interim financial statements for the 1st quarter of 2011

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



Indrek Jürgenson
Member of the Management Board

4 May 2011



Madis Jäger
Member of the Management Board