

Olympic Entertainment Group AS

Consolidated interim financial statements for the 3rd quarter and the 9-month period of 2012 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2012
End of reporting period	30 September 2012
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Website	www.olympic-casino.com
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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

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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 it operates casinos in Poland, Slovakia and Belarus.

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

Group entities include:

	Domicile	Ownership 30.09.2012	Ownership 31.12.2011	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Organisation of gaming
Kungla Investeeringu AS	Estonia	100%	100%	Hotel services, catering
Kesklinna Hotelli OÜ	Estonia	97.5%	97.5%	Hotel services
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	95%	95%	Casino tourism
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	100%	100%	Organisation of gaming
Ahti SIA	Latvia	100%	100%	Bar services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Organisation of gaming
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
Silber Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Baina Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Casino-Polonia Wroclaw Sp. z o.o.	Poland	80%	80%	Organisation of gaming
Olympic Casino Slovakia S.r.o	Slovakia	100%	100%	Organisation of gaming
Olympic F & B S.r.o.	Slovakia	100%	100%	Bar services
The Box S.r.l.	Italy	50%	-	Organisation of gaming
Olympic Casino Bel IP	Belarus	100%	100%	Organisation of gaming
Olympic Casino Ukraine TOV	Ukraine	100%	100%	Bankrupt
Alea Private Company	Ukraine	100%	100%	Bankrupt
Eldorado Leisure Company	Ukraine	100%	100%	Bankrupt
Ukraine Leisure Company	Ukraine	100%	100%	Bankrupt

The Group operates slot and gaming table casinos as well as casino bars at most of the casinos of its subsidiaries. At 30 September 2012, the Group had a total of 62 casinos: 18 in Estonia, 21 in Latvia, 10 in Lithuania, 4 in Poland, 4 in Slovakia and 5 in Belarus. The Group employed 2,310 employees in 6 countries.

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

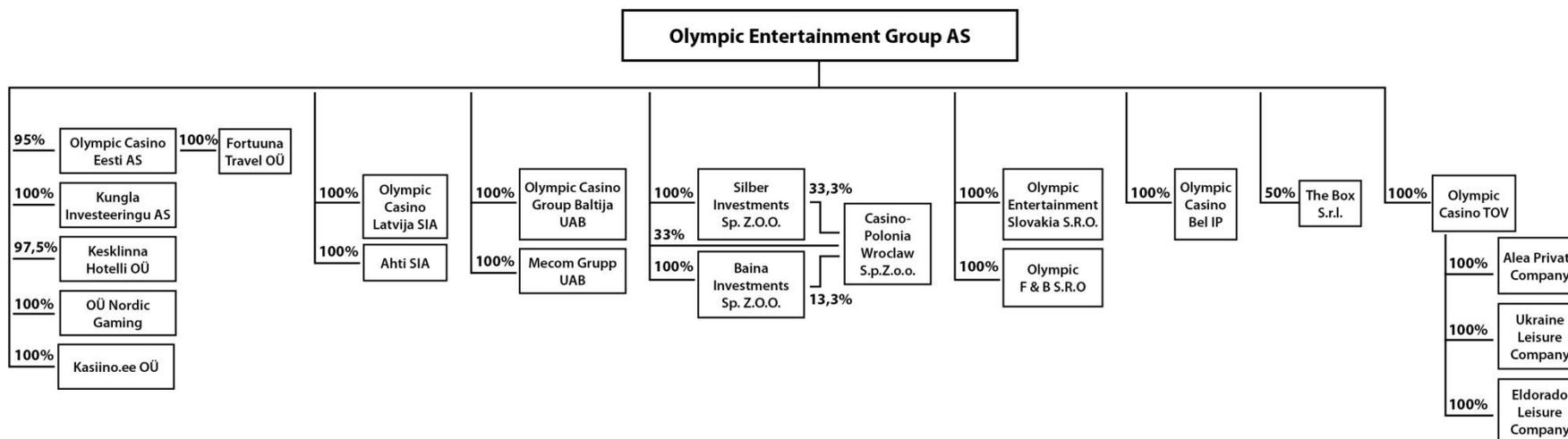
Our vision

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

Our mission

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

Group's structure at 30 September 2012



Declaration of the management

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



Madis Jääger
Chairman of the Management Board



Meelis Pielberg
Member of the Management Board

29 October 2012

Management report

Overview of the economic activities

Key developments of the Group during the 9-month period of 2012:

- The Group's consolidated net profit totalled EUR 17.7 million. During the 9-month period of 2011, the Group earned a net profit of EUR 10.0 million.
- The efficiency of the Group's business operations improved. During the 9-month period of 2012, the Group's income from gaming transactions and revenues totalled EUR 97.5 million, i.e. 9.8% more than compared to the 9-month period of 2011. The number of casinos in operation declined by 1 year-over-year.
- At 27 July 2012, the reduction of share capital of Olympic Entertainment Group AS on the basis adopted by resolution of the General Meeting of Shareholders held at 19 April 2012 was entered in the Commercial Register. The Company's registered share capital was EUR 81,717,932.70 and the new size of share capital is EUR 60,531,802. The share capital is divided into 151,329,505 ordinary shares with the book value of EUR 0.40 each.
- Olympic Entertainment Group AS and the Italian company G Holding agreed on 2 August 2012 to jointly set up and operate medium-sized VLT slot casinos in Italy. Both parties own half of the operating company The Box S.r.l.

During 9-month period of 2012, the Group's consolidated sales revenue totalled EUR 97.5 million and the revenue totalled EUR 98.0 million, which is 5.1% more than the total revenue of EUR 93.2 million earned during the 9-month period of 2011. The Group's EBITDA increased from EUR 24.0 million during the 9-month period of 2011 to EUR 27.7 million this year. During the 9-month period of 2012 the operating profit totalled EUR 19.7 million, last year the operating profit totalled EUR 11.5 million.

During the 9-month period of 2012, gaming operations accounted for 92.5% and other revenue 7.5% of the Group's consolidated revenue, the respective percentages for the 9-month period of 2011 were 88.5% and 11.5%.

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

	Q3 2012	Change	Percentage of total	Q3 2011	Percentage of total
Estonia	9,340	13.6%	27.6%	8,225	26.6%
Latvia	8,902	13.7%	26.3%	7,828	25.3%
Lithuania	5,023	-2.6%	14.8%	5,157	16.7%
Poland	6,437	3.9%	19.0%	6,197	20.0%
Slovakia	3,243	18.5%	9.6%	2,737	8.8%
Belarus	906	13.4%	2.7%	799	2.6%
Romania*	0	0.0%	0.0%	0	0.0%
Total	33,851	9.4%	100.0%	30,943	100.0%

	9m 2012	Change	Percentage of total	9m 2011	Percentage of total
Estonia	25,134	14.6%	25.8%	21,933	24.7%
Latvia	24,645	16.8%	25.3%	21,104	23.8%
Lithuania	14,383	3.4%	14.8%	13,914	15.7%
Poland	19,812	-1.8%	20.3%	20,178	22.7%
Slovakia	11,002	33.6%	11.3%	8,236	9.3%
Belarus	2,481	0.9%	2.5%	2,459	2.8%
Romania*	0	-100.0%	0.0%	954	1.1%
Total	97,457	9.8%	100.0%	88,778	100.0%

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

At the end of Q3 2012, the Group had 62 casinos, with the total floor area of 23,354 m². At the end of Q3 2011, the number of the Group's casinos was 63 and total floor area was 23,149 m².

Number of casinos by segment

	30.09.2012	30.09.2011
Estonia	18	17
Latvia	21	21
Lithuania	10	11
Poland	4	6
Slovakia	4	3
Belarus	5	5
Total	62	63

During the 9-month period of 2012, the Group's consolidated operating expenses decreased by 4.3% or EUR 3.5 million as compared to the expenses during 9-month period in 2011. Depreciation, amortisation and impairment losses decreased the most compared to the 9-month period in 2011 by EUR 4.5 million. Staff costs with social security taxes increased the most as compared to 9-month period of 2011 by EUR 1.5 million and licence fees and gaming taxes by EUR 1.0 million.

Staff costs with social security taxes made up the largest share of the Group's operating expenses, i.e. EUR 24.0 million, followed by gaming tax expenses of EUR 20.1 million, depreciation, amortisation and impairment losses of EUR 8.0 million, rental expenses of EUR 7.1 million and marketing expenses of EUR 6.6 million.

During the 9-month period in 2012, the consolidated net profit attributable to equity holders of the parent company totalled EUR 17.7 million. During 9-month period in 2011, the consolidated net profit attributable to equity holders of the parent company totalled EUR 10.0 million.

Key performance indicators of the Group

(in millions of euros)

	9 m 2012	9 m 2011	9 m 2010
Revenue	98.0	93.2	81.8
EBITDA	27.7	24.0	15.5
Operating profit	19.7	11.5	2.1
Net profit	17.7	10.0	1.1
EBITDA margin	28.3%	25.7%	19.0%
Operating margin	20.1%	12.3%	2.6%
Net margin	18.1%	10.8%	1.3%
ROE	22.4%	13.0%	1.5%
ROA	16.2%	9.4%	1.1%
Current ratio	2.1	2.2	2.5
Number of casinos at year-end	62	63	64
Casino floor area (m ²) at year-end	23,354	23,149	24,988
Number of slot machines at the period end	2,479	2,447	2,445
Number of gaming tables at the period end	182	173	170

Underlying formulas:

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

Overview by markets

Estonian segment

During the 9-month period in 2012, the external revenue of the Estonian segment totalled EUR 25.4 million, of which the income from gaming transactions totalled EUR 22.7 million and other revenue and income totalled EUR 2.7 million. The external revenue of the Estonian segment increased by 6.1% compared to the 9-month period in 2011. The market share of Olympic Casino Eesti AS in the Estonian gaming market was 57% based on Q3 2012 and 55% based on Q3 2011. During the 9-month period in 2012, the total Estonian gaming market increased by 7% as compared to the 9-month period in 2011.

During the 9-month period in 2012, the EBITDA of the Estonian segment totalled EUR 6.6 million and the operating profit totalled EUR 4.5 million. During the 9-month period in 2011, the EBITDA of the Estonian segment totalled EUR 6.1 million and the operating profit totalled EUR 3.2 million.

At the end of Q3 2012, there were 18 Olympic casinos with 739 slot machines and 20 gaming tables operating in Estonia.

Latvian segment

During the 9-month period in 2012, the external revenue of the Latvian segment totalled EUR 24.8 million, of which the income from gaming transactions totalled EUR 22.6 million and other revenue and income totalled EUR 2.2 million. The external revenue of the Latvian segment increased by 17.3% compared to the 9-month period in 2011. The market share of Olympic Casino Latvia SIA in the Latvian gaming market was 20% based on Q3 2012 and 20% based on Q3 2011. During the 9-month period in 2012, the total Latvian gaming market increased by 16% as compared to the 9-month period in 2011.

During the 9-month period in 2012, the EBITDA of the Latvian segment totalled EUR 11.3 million and the operating profit totalled EUR 9.5 million. During the 9-month period in 2011, the EBITDA of the Latvian segment totalled EUR 8.6 million and the operating profit totalled EUR 6.1 million.

At the end of Q3 2012, there were 21 Olympic casinos with 647 slot machines and 25 gaming tables operating in Latvia.

Lithuanian segment

During the 9-month period in 2012, the external revenue of the Lithuanian segment totalled EUR 14.4 million, of which the income from gaming transactions totalled EUR 13.5 million and other revenue and income totalled EUR 0.9 million. The external revenue of the Lithuanian segment increased by 3.2% compared to the 9-month period in 2011. The market share of Olympic Casino Group Baltija UAB in the Lithuanian gaming market was 66% based on Q3 2012 and 68% based on Q3 2011. During the 9-month period in 2012, the total Lithuanian gaming market increased by 7% as compared to the 9-month period in 2011.

During the 9-month period in 2012, the EBITDA of the Lithuanian segment totalled EUR 3.5 million and the operating profit totalled EUR 2.3 million. During the 9-month period in 2011, the EBITDA of the Lithuanian segment totalled EUR 3.3 million and the operating profit totalled EUR 1.8 million.

At the end of Q3 2012, there were 10 Olympic casinos with 356 slot machines and 52 gaming tables operating in Lithuania.

Polish segment

During the 9-month period in 2012, the external revenue of the Polish segment totalled EUR 19.9 million, of which the income from gaming transactions totalled EUR 19.5 million and other revenue and income totalled EUR 0.4 million. The external revenue of the Polish segment decreased by 11.7% compared to the 9-month period in 2011.

During the 9-month period in 2012, the EBITDA of the Polish segment totalled EUR 3.4 million and the operating profit totalled EUR 1.6 million. During the 9-month period in 2011, the EBITDA of the Polish segment totalled EUR 4.7 million and the operating profit totalled EUR 1.9 million.

At the end of Q3 2012, there were 4 Olympic casinos with 307 slot machines and 41 gaming tables operating in Poland.

Slovak segment

During the 9-month period in 2012, the external revenue of the Slovak segment totalled EUR 11.0 million, of which the income from gaming transactions totalled EUR 10.0 million and other revenue and income totalled EUR 1.0 million. The external revenue of the Slovak segment increased by 33.6% compared to the 9-month period in 2011.

During the 9-month period in 2012, the EBITDA of the Slovak segment totalled EUR 2.0 million and the operating profit totalled EUR 1.1 million. During the 9-month period in 2011, the EBITDA of the Slovak segment totalled EUR 1.6 million and the operating profit totalled EUR 0.9 million.

At the end of Q3 2012, there were 4 Olympic casinos with 202 slot machines and 44 gaming tables operating in Slovakia.

Belarus segment

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

During the 9-month period in 2012, the external revenue of the Belarusian segment totalled EUR 2.5 million, of which the income from gaming transactions totalled EUR 2.3 million and other revenue and income totalled EUR 0.2 million. The external revenue of the Belarusian segment increased by 2.4% compared to the 9-month period in 2011.

During the 9-month period in 2012, the EBITDA of the Belarusian segment totalled EUR 0.9 million and the operating profit totalled EUR 0.8 million. During the 9-month period in 2011, the EBITDA of the Belarusian segment totalled EUR 0.6 million and the operating profit totalled EUR 0.1 million.

At the end of Q3 2012, there were 5 Olympic casinos with 228 slot machines operating in Belarus.

Romanian segment

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

Financial position

At 30 September 2012, the consolidated balance sheet total of the Group was EUR 118.1 million (31 December 2011: EUR 101.0 million). The balance sheet total increased by 17.0% during the 9-month period in 2012.

Current assets totalled EUR 65.3 million or 55.3% of total assets, and non-current assets totalled EUR 52.8 million or 44.7% of total assets. At the balance sheet date, the liabilities totalled EUR 32.0 million and the equity totalled EUR 86.1 million. The largest liability items included payables to the shareholders from the reduction of share capital in the amount of EUR 15.1 million, borrowings of EUR 3.9 million, tax liabilities of EUR 4.3 million and payables to employees of EUR 2.5 million.

Investments

During the 9-month period in 2012, the Group's expenditures on property, plant and equipment totalled EUR 5.7 million, of which EUR 3.1 million was spent on construction and reconstruction of casinos and EUR 2.6 million on new gaming equipment.

During the 9-month period in 2011, expenditures on property, plant and equipment totalled EUR 2.8 million.

Cash flows

During the 9-month period in 2012, the Group's cash flows generated from operating activities totalled EUR 23.7 million. Cash flows used in investing activities totalled EUR 7.1 million and cash flows used in financing activities totalled EUR 2.3 million. Net cash flows totalled EUR 14.3 million.

During the 9-month period in 2011, the Group's cash flows generated from operating activities totalled EUR 23.4 million. Cash flows used in investing activities totalled EUR 9.8 million and cash flows used in financing activities totalled EUR 8.3 million. Net cash flows totalled EUR 5.3 million.

Staff

At 30 September 2012, the Group employed 2,310 people (31 December 2011: 2,336): 523 in Estonia, 472 in Latvia, 613 in Lithuania, 375 in Poland, 226 in Slovakia and 101 in Belarus.

During the 9-month period in 2012, employee wages and salaries including social security taxes totalled EUR 24.0 million (9m 2011: EUR 22.4 million). During the 9-month period in 2012, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 641 thousand (9m 2011: EUR 516 thousand) and EUR 117 thousand (9m 2011: EUR 117 thousand), respectively.

Description of main risks

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

Business risks

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

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

Currency risk

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

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

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

Credit risk

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

Management and Supervisory Boards

Until 1 July 2012, the Management Board of Olympic Entertainment Group AS comprised three members, where the Chairman was Madis Jääger and members were Meelis Pielberg and Indrek Jürgenson. From 1 July 2012, the Management Board of Olympic Entertainment Group AS comprises two members, where the Chairman is Madis Jääger and member is Meelis Pielberg. In the everyday management activities, the Management Board of the Company is independent and is guided by the best interests of all shareholders, thereby ensuring sustainable development of the Company according to the set objectives and strategy. The Management Board also ensures the functioning of internal control and risk management procedures in the Company. The Supervisory Board of Olympic Entertainment Group AS elects members of the Management Board for a term of three years.



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



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

The Supervisory Board of Olympic Entertainment Group AS comprises four members. The Supervisory Board is chaired by the Chairman Armin Karu; members of the Supervisory Board are Jaan Korpusov, Liina Linsi and Peep Vain. The General Meeting of Shareholders of Olympic Entertainment Group AS elects members of the Supervisory Management Board.

- Armin Karu – Chairman of the Supervisory Board since 2008. Armin Karu is the founder of the Company. He graduated from Haaga Institute in Finland (International Management Diploma 1998; MBA 2005). Armin Karu owns directly and through the companies controlled by him a total of 68,364,790 Company's shares.
- Jaan Korpusov – member of the Supervisory Board since 2006. Jaan Korpusov graduated from University of Tartu in 1985 the faculty of history. Jaan Korpusov owns directly and through the companies controlled by him a total of 28,761,910 Company's shares.
- Liina Linsi – member of the Supervisory Board since 2006. Liina Linsi graduated from University of Tartu (law) in 1984 *cum laude*. Liina Linsi owns directly and through the companies controlled by her a total of 16,681 Company's shares.
- Peep Vain – member of the Supervisory Board since 2006. Peep Vain studied radio technology at Tallinn Polytechnic Institute from 1986 to 1987 and market economy at the University of Tartu from 1989 to 1990. He graduated from Bentley College in Massachusetts, USA with a degree in marketing *cum laude*. Peep Vain owns directly and through the companies controlled by him a total of 36,852 Company's shares.

Shares of Olympic Entertainment Group AS

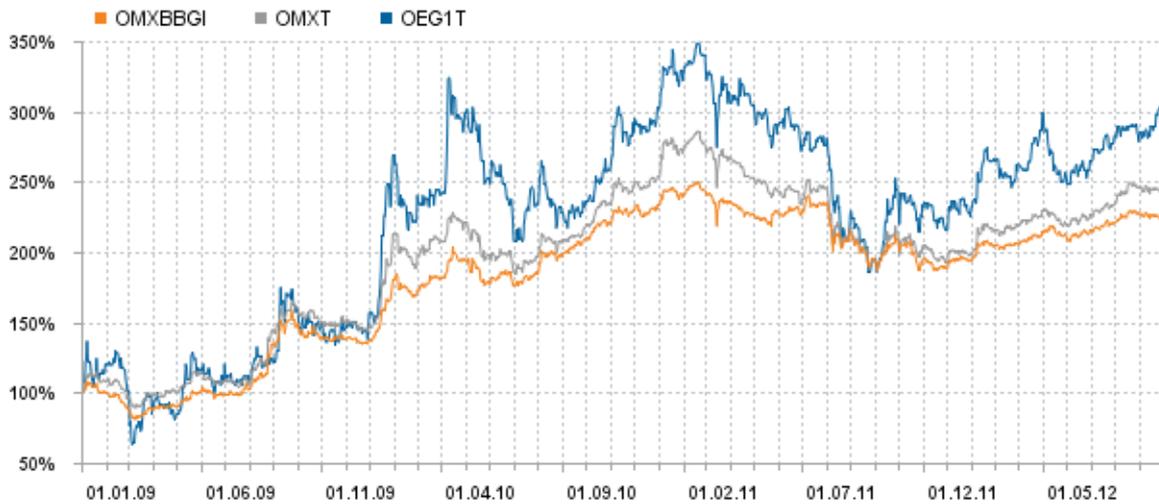
Olympic Entertainment Group AS is listed in main list of the Tallinn Stock Exchange from 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on the Warsaw Stock Exchange. At 27 July 2012, the reduction of share capital of Olympic Entertainment Group AS on the basis adopted by resolution of the General Meeting of Shareholders held at 19 April 2012 was entered in the Commercial Register. The Company's registered share capital was EUR 81,717,932.70 and the new size of share capital is EUR 60,531,802. The share capital is divided into 151,329,505 ordinary shares with the book value of EUR 0.40 each.

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

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



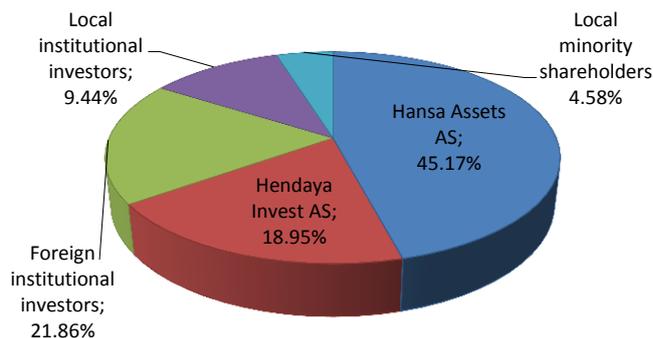
Comparison of the share of Olympic Entertainment Group AS with indices in the period of 01.01.2009-30.09.2012:



Index/share	01.01.2009	30.06.2012	+/-%
— OMX Baltic Benchmark GI	228.12	510.85	123.94
— OMX Tallinn	274.83	668.21	143.14
— OEG1T	0.49 EUR	1.49 EUR	204.08

Largest shareholders of Olympic Entertainment Group AS at 30 September 2012:

OÜ HANSA ASSETS	45.17%
OÜ HENDAYA INVEST	18.95%
NORDEA BANK FINLAND PLC, CLIENTS	2.97%
Central Securities Depository of Lithuania	2.55%
CITIBANK (LONDON)/ UBS AG LONDON BRANCH-IPB CLIENT ACCOUNT	2.04%
Skandinaviska Enskilda Banken Ab Clients	1.94%
ING LUXEMBOURG S.A.	1.66%
FIREBIRD REPUBLICS FUND LTD	1.20%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.08%
Mellon Treaty Omnibus	1.07%



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	30.09.2012	31.12.2011
ASSETS			
Current assets			
Cash and cash equivalents		47,702	33,413
Financial investments		13,518	9,508
Receivables and prepayments		2,882	2,606
Prepaid income tax		267	397
Inventories		963	909
Total current assets		65,332	46,833
Non-current assets			
Deferred tax assets		1,161	1,111
Financial investments		2,948	2,937
Other long-term receivables		654	712
Investment property	4	1,804	1,795
Property, plant and equipment	5	17,898	19,754
Intangible assets	6	28,326	27,822
Total non-current assets		52,791	54,131
TOTAL ASSETS		118,123	100,964
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	7	3,110	3,113
Trade and other payables		25,507	9,870
Income tax payable		881	1,215
Provisions		1,536	1,881
Total current liabilities		31,034	16,079
Non-current liabilities			
Deferred tax liability		116	90
Borrowings	7	806	3,136
Total non-current liabilities		922	3,226
TOTAL LIABILITIES		31,956	19,305
EQUITY			
Share capital		60,532	81,718
Share premium		0	14,535
Statutory reserve capital		0	2,470
Other reserves		117	53
Translation reserves		-659	-1,776
Retained earnings / accumulated losses		20,824	-19,930
Total equity attributable to equity holders of the parent		80,814	77,070
Non-controlling interest		5,353	4,589
TOTAL EQUITY		86,167	81,659
TOTAL LIABILITIES AND EQUITY		118,123	100,964

Consolidated statement of comprehensive income

	Notes	Q3 2012	Q3 2011	9m 2012	9m 2011
Continuing operations					
Income from gaming transactions	9	31,409	28,661	90,629	81,711
Revenue	9	2,442	2,282	6,828	6,113
Other income	9	35	432	558	4,443
Total revenue and income		33,886	31,375	98,015	92,267
Cost of materials, goods and services		-763	-750	-2,118	-2,057
Other operating expenses		-14,733	-13,627	-44,030	-41,893
Staff costs		-7,923	-7,345	-23,955	-21,717
Depreciation, amortisation and impairment	5;6	-2,392	-3,240	-7,959	-11,031
Other expenses		-58	-678	-216	-1,664
Total operating expenses		-25,869	-25,640	-78,278	-78,362
Operating profit		8,017	5,735	19,737	13,905
Interest income		63	127	216	280
Interest expense		-42	-108	-144	-351
Foreign exchange gains (losses)		8	47	-37	160
Other finance income and costs		889	377	1,412	372
Total finance income and costs		918	443	1,447	461
Profit from operating activities		8,935	6,178	21,184	14,366
Income tax expense		-1,274	-625	-2,714	-1,582
Net profit for the period from continuing operations		7,661	5,553	18,470	12,784
Net profit (loss) for the period from discontinued operations	3	0	0	0	-2,462
Net profit for the period		7,661	5,553	18,470	10,322
<i>Attributable to equity holders of the parent company</i>		<i>7,337</i>	<i>5,606</i>	<i>17,696</i>	<i>10,034</i>
<i>Attributable to non-controlling interest</i>		<i>324</i>	<i>-53</i>	<i>774</i>	<i>288</i>
Other comprehensive income					
Currency translation differences					
<i>Continuing operations</i>		<i>420</i>	<i>-1,581</i>	<i>1,117</i>	<i>-2,299</i>
<i>Discontinued operations</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>-187</i>
Total comprehensive profit for the period		8,081	3,972	19,587	7,836
<i>Attributable to equity holders of the parent company</i>		<i>7,757</i>	<i>4,025</i>	<i>18,813</i>	<i>7,548</i>
<i>Attributable to non-controlling interest</i>		<i>324</i>	<i>-53</i>	<i>774</i>	<i>288</i>
Basic earnings per share*	8	4.8	3.7	11.7	6.6
<i>From continuing operations</i>		<i>4.8</i>	<i>3.7</i>	<i>11.7</i>	<i>8.2</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-1.6</i>
Diluted earnings per share*	8	4.8	3.7	11.7	6.6
<i>From continuing operations</i>		<i>4.8</i>	<i>3.7</i>	<i>11.7</i>	<i>8.2</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-1.6</i>

* euro cents

Consolidated statement of cash flows

	Notes	9m 2012	9m 2011
Cash flows from operating activities			
Net profit		18,470	10,322
Adjustments:			
Depreciation, amortisation and impairment	3;5;6	7,959	12,474
Loss on disposal of non-current assets (net)		-65	127
Change in fair value of investment property	4	-9	0
Income tax expense		2,714	1,633
Other financial income and expenses (net)		-1,447	-471
Changes in working capital:			
Receivables and prepayments		-366	2,104
Inventories		-54	853
Liabilities and prepayments		-327	-1,737
Interest paid		-146	-354
Corporate income tax paid		-3,036	-1,584
Net cash generated from operating activities		23,693	23,367
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-4,897	-3,092
Proceeds from sale of property, plant, equipment		148	288
Purchase of financial investments		-5,206	-7,529
Proceeds from sale of other financial investments		2,696	101
Acquisition of subsidiary, net of cash acquired		-5	0
Proceeds from sale of subsidiaries		0	177
Interest received		196	265
Net cash used in from investing activities		-7,068	-9,790
Cash flows from financing activities			
Repayments of loans received	7	-2,332	-2,332
Repayments of finance leases		-3	-1
Reduction of share capital paid		-10	-5,919
Net cash used in financing activities		-2,345	-8,252
Net cash flows		14,280	5,325
Cash and cash equivalents at beginning of the period		33,413	28,960
Exchange gains and losses on cash and cash equivalents		9	174
Cash and cash equivalents at end of the period		47,702	34,459

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 / accumulated losses	Total	Non-controlling interest	
Balance at 31.12.2010	96,717	14,535	2,413	0	740	-33,703	80,702	4,032	84,734
<i>Net profit for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>10,034</i>	<i>10,034</i>	<i>288</i>	<i>10,322</i>
<i>Other comprehensive income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-2,486</i>	<i>0</i>	<i>-2,486</i>	<i>0</i>	<i>-2,486</i>
Total comprehensive income for the period	0	0	0	0	-2,486	10,034	7,548	288	7,836
Increase of statutory reserve capital	0	0	57	0	0	-57	0	0	0
Reduction of share capital	-14,999	0	0	0	0	0	-14,999	0	-14,999
Balance at 30.09.2011	81,718	14,535	2,470	0	-1,746	-23,726	73,251	4,320	77,571
Balance at 31.12.2011	81,718	14,535	2,470	53	-1,776	-19,930	77,070	4,589	81,659
<i>Net profit for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>17,696</i>	<i>17,696</i>	<i>774</i>	<i>18,470</i>
<i>Other comprehensive income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,117</i>	<i>0</i>	<i>1,117</i>	<i>0</i>	<i>1,117</i>
Total comprehensive income for the period	0	0	0	0	1,117	17,696	18,813	774	19,587
Increase of statutory reserve capital	0	0	692	0	0	-692	0	0	0
Covering the accumulated losses	0	-14,535	-3,162	0	0	17,697	0	0	0
Reduction of share capital	-21,186	0	0	0	0	6,053	-15,133	-10	-15,143
Employee option programme	0	0	0	64	0	0	64	0	64
Balance at 30.09.2012	60,532	0	0	117	-659	20,824	80,814	5,353	86,167

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 2012 comprise the Company and its subsidiaries (together referred to as the "Group").

This condensed consolidated interim financial information was approved by the management for issue on 29 October 2012.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2011 are available upon request from the Company's registered office at Pronksi 19, Tallinn and at the Company's website at www.olympic-casino.com.

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial statements do not include all of the information required by complete set of financial statements and should be read in conjunction with annual consolidated financial statements of the Group as at and for the year ended 31 December 2011.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011.

Note 2 Seasonality of operations

Due to the slight seasonal nature of the gaming market, higher revenues are generated in the second half of the year. In the financial year ended 31 December 2011, 47% of the income from gaming transactions accumulated in the first half of the year, with 53% accumulating in the second half.

Note 3 Discontinued operations

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

Romanian segment results are presented in this interim financial information as a discontinued operation.

Analysis of income and expenses of discontinued operations

	Q3 2012	Q3 2011	9m 2012	9m 2011
Income from gaming transactions	0	0	0	844
Revenue	0	0	0	110
Other income	0	0	0	15
Total revenue and income	0	0	0	969
Cost of materials, goods and services	0	0	0	-38
Other operating expenses	0	0	0	-846
Staff costs	0	0	0	-688
Depreciation, amortisation and impairment	0	0	0	-255
Other expenses	0	0	0	-6
Total operating expenses	0	0	0	-1,833
Operating loss	0	0	0	-864
Foreign exchange gains	0	0	0	10
Total finance income	0	0	0	10
Loss before income tax	0	0	0	-854
Income tax expense	0	0	0	-51
After-tax loss for the period of discontinued operations	0	0	0	-905
Loss recognised from re-measurement of assets and liabilities of disposal group				
Impairment of property, plant and equipment	0	0	0	-1,188
Loss from re-measurement of liabilities	0	0	0	-369
Total loss on the re-measurement of assets and liabilities	0	0	0	-1,557
Comprehensive loss from discontinued operations	0	0	0	-2,462

Cash flows of discontinued operations

	Q3 2012	Q3 2011	9m 2012	9m 2011
Net cash used in operating activities	0	0	0	-825
Net cash used in investing activities	0	0	0	-1
Net cash flows	0	0	0	-826
Cash and cash equivalents at beginning of the period	0	0	0	816
Exchange gains and losses on cash and cash equivalents	0	0	0	10
Cash and cash equivalents at end of the period	0	0	0	0

Note 4 Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At 31.12.2011	1,333	462	1,795
Net gain from fair value adjustments	0	9	9
At 30.09.2012	1,333	471	1,804

Note 5 Property, plant and equipment

	<u>Land and buildings</u>	<u>Renovation expenditures</u>	<u>Machinery & equipment</u>	<u>Other PP&E</u>	<u>Construction in progress</u>	<u>Total</u>
At 31.12.2011	42	7,808	10,639	834	431	19,754
Additions	0	601	2,597	280	2,205	5,683
Sales	0	0	-105	0	0	-105
Write-offs	0	-53	-4	-10	0	-67
Transfers	0	495	949	201	-1,645	0
Depreciation charge	-5	-2,093	-4,980	-420	0	-7,498
Impairment losses	0	0	-149	-18	0	-167
Currency translation differences	3	96	181	16	2	298
At 30.09.2012	40	6,854	9,128	883	993	17,898

Note 6 Intangible assets

	<u>Goodwill</u>	<u>Software and licences</u>	<u>Total</u>
At 31.12.2011	27,055	767	27,822
Additions	0	81	81
Amortisation charge	0	-227	-227
Currency translation differences	619	31	650
At 30.09.2012	27,674	652	28,326

Note 7 Borrowings

	<u>30.09.2012</u>	<u>31.12.2011</u>
Short-term borrowings		
Current portion of finance lease	1	4
Current portion of long-term debt	3,109	3,109
Total short-term borrowings	3,110	3,113
Long-term borrowings		
Non-current portion of finance lease	13	13
Non-current portion of long-term debt	777	3,109
Other borrowings	16	14
Total long-term borrowings	806	3,136
Total borrowings	3,916	6,249

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

Note 8 Equity

At 27 July 2012, the reduction of share capital of Olympic Entertainment Group AS on the basis adopted by resolution of the General Meeting of Shareholders held at 19 April 2012 was entered in the Commercial Register where it was decided to reduce the share capital of the Company altogether by EUR 21,186,130.70 from EUR 81,717,932.70 to EUR 60,531,802. The share capital is reduced by reducing the book value of the shares from EUR 0.54 to EUR 0.40, whereas the number of the shares remains the same (i.e. 151,329,505). The reduction of share capital in the amount of EUR 15,132,950.50 (EUR 0.10 per share) shall be paid to the shareholders on 29 October 2012. Upon reducing the share capital, EUR 6,053,180.20 shall not be paid to the shareholders but shall be used to cover the accumulated losses.

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

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

Earnings per share

	Q3 2012	Q3 2011	9m 2012	9m 2011
Net profit for the period	7,337	5,606	17,696	10,034
Weighted average number of shares outstanding (in thousands)	151,329	151,329	151,329	151,329
Basic earnings per share (euro cents)	4.8	3.7	11.7	6.6
Diluted earnings per share (euro cents)	4.8	3.7	11.7	6.6

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

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

Note 9 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis of external sales revenue and operating profit. At 30 September 2012, the Group had operations in the Estonian, Latvian, Lithuanian, Polish, Slovak and Belarusian markets.

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

Q3 2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	8,423	8,175	4,719	6,325	2,930	837	31,409
Revenue	934	729	304	113	313	69	2,462
Inter-segment revenue	-17	-2	0	-1	0	0	-20
External revenue	9,340	8,902	5,023	6,437	3,243	906	33,851
Other external revenue	3	1	0	17	0	14	35
Total revenue	9,343	8,903	5,023	6,454	3,243	920	33,886
Total expenses	-7,180	-5,083	-4,008	-5,807	-3,166	-625	-25,869
Incl. depreciation, amortisation and impairment losses	-639	-566	-377	-440	-328	-42	-2,392
Total operating profit	2,163	3,820	1,015	647	77	295	8,017
Q3 2011	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	7,380	7,155	4,772	6,085	2,528	741	28,661
Revenue	860	673	385	113	209	58	2,298
Inter-segment revenue	-15	0	0	-1	0	0	-16
External revenue	8,225	7,828	5,157	6,197	2,737	799	30,943
Other external revenue	42	1	0	385	0	4	432
Total revenue	8,267	7,829	5,157	6,582	2,737	803	31,375
Total expenses	-7,391	-5,023	-4,153	-5,914	-2,505	-654	-25,640
Incl. depreciation, amortisation and impairment losses	-916	-707	-524	-696	-264	-133	-3,240
Total operating profit	876	2,806	1,004	668	232	149	5,735
9m 2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	22,721	22,627	13,483	19,500	10,000	2,298	90,629
Revenue	2,487	2,024	900	314	1,003	183	6,911
Inter-segment revenue	-74	-6	0	-2	-1	0	-83
External revenue	25,134	24,645	14,383	19,812	11,002	2,481	97,457
Other external revenue	265	134	21	95	0	43	558
Total revenue	25,399	24,779	14,404	19,907	11,002	2,524	98,015
Total expenses	-20,918	-15,312	-12,067	-18,305	-9,911	-1,765	-78,278
Incl. depreciation, amortisation and impairment losses	-2,110	-1,800	-1,200	-1,754	-913	-182	-7,959
Total operating profit	4,481	9,467	2,337	1,602	1,091	759	19,737
9m 2011	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	19,809	19,317	12,932	19,811	7,553	2,289	81,711
Revenue	2,242	1,787	990	370	683	170	6,242
Inter-segment revenue	-118	0	-8	-3	0	0	-129
External revenue	21,933	21,104	13,914	20,178	8,236	2,459	87,824
Other external revenue	2,016	12	41	2,369	1	4	4,443
Total revenue	23,949	21,116	13,955	22,547	8,237	2,463	92,267
Total expenses	-20,757	-15,056	-12,140	-20,632	-7,377	-2,400	-78,362
Incl. depreciation, amortisation and impairment charges	-2,941	-2,502	-1,531	-2,752	-778	-527	-11,031
Total operating profit	3,192	6,060	1,815	1,915	860	63	13,905

Note 10 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 2012</u>	<u>9m 2011</u>
Shareholders with significant influence	41	55
Total	41	55

As at 30.09.2012 and 31.12.2011, there were no balances of receivables and liabilities.

During the 9-month period in 2012, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 641 thousand (9m 2011: EUR 516 thousand) and EUR 117 thousand (9m 2011: EUR 117 thousand), respectively.