

Olympic Entertainment Group AS

Consolidated interim financial statements for the 1st quarter of 2012 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2012
End of reporting period	31 March 2012
Business name	Olympic Entertainment Group AS
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Website	www.olympic-casino.com
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

*This version of consolidated interim financial statements is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of consolidated annual report 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 31.03.2012	Ownership 31.12.2011	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Organisation of gaming
Kungla Investeeringu AS	Estonia	100%	100%	Hotel services, catering
Kesklinna Hotelli OÜ	Estonia	97.5%	97.5%	Hotel services
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	95%	95%	Casino tourism
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	100%	100%	Organisation of gaming
Ahti SIA	Latvia	100%	100%	Bar services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Organisation of gaming
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
Silber Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Baina Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Casino-Polonia Wroclaw Sp. z o.o.	Poland	80%	80%	Organisation of gaming
Olympic Casino Slovakia S.r.o.	Slovakia	100%	100%	Organisation of gaming
Olympic F & B S.r.o.	Slovakia	100%	100%	Bar services
Olympic Casino Bel IP	Belarus	100%	100%	Organisation of gaming
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 2012, the Group had a total of 61 casinos: 17 in Estonia, 21 in Latvia, 10 in Lithuania, 4 in Poland, 4 in Slovakia and 5 in Belarus. The Group employed 2,296 employees in 6 countries.

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

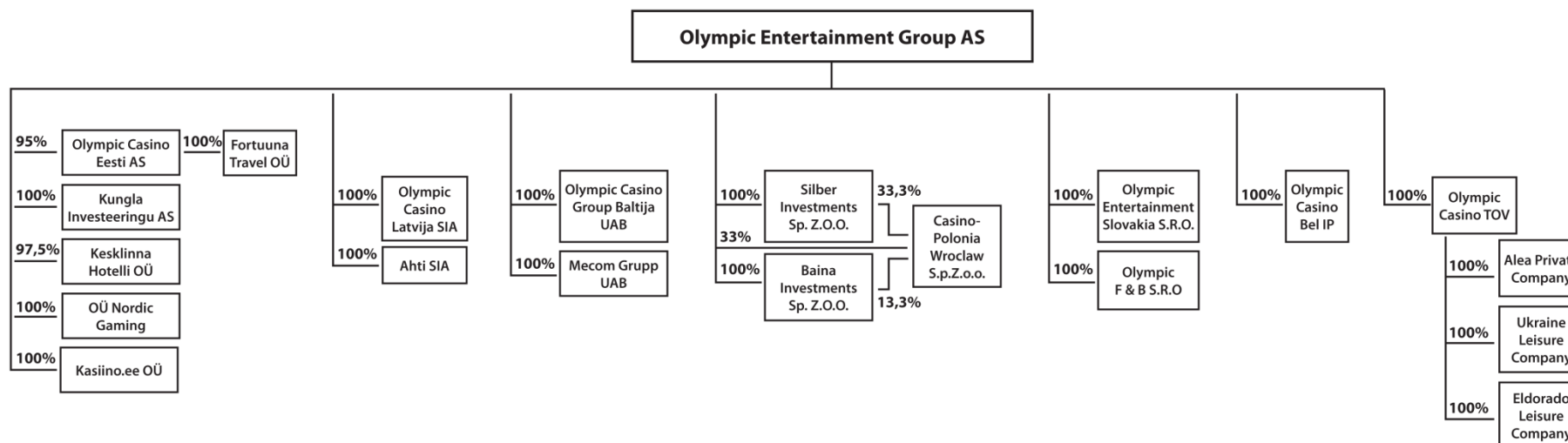
Our vision

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 31 March 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



Indrek Jürgenson
Member of the Management Board

30 April 2012

Management report

Overview of the economic activities

Key developments of the Group in Q1 2012:

- The Group's consolidated net profit totalled EUR 5.1 million. In Q1 2011, the Group earned a net profit of EUR 0.2 million.
- The efficiency of the Group's business operations improved. In Q1 2012, the Group's income from gaming transactions and revenues totalled EUR 31.7 million, i.e. 8.8% more than compared to Q1 2011. The number of casinos in operation declined by 4, i.e. 6.2% year-over-year.
- At the annual general meeting of the shareholders held on 19 April 2012 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 calculated 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 shall be paid to the shareholders within the term set forth by the law. 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.

In Q1 2012, the Group's consolidated sales revenue totalled EUR 31.7 million and the revenue totalled EUR 32.2 million, which is 3.3% more than the total revenue of EUR 31.1 million earned in Q1 2011. The Group's EBITDA increased from EUR 6.3 million in Q1 2011 to EUR 8.7 million in Q1 2012. In Q1 2012, the operating profit totalled EUR 5.8 million, in Q1 2011 the operating profit totalled EUR 0.6 million.

In Q1 2012, gaming operations accounted for 92.1% and other revenue 7.9% of the Group's consolidated revenue, the respective percentages for the Q1 2011 were 87.3% and 12.7%.

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

	Q1 2012	Change	Percentage of total	Q1 2011	Percentage of total
Estonia	7,614	17.3%	24.0%	6,490	22.3%
Latvia	7,976	24.4%	25.2%	6,411	22.0%
Lithuania	4,894	10.8%	15.5%	4,415	15.2%
Poland	6,238	-17.1%	19.7%	7,523	25.9%
Slovakia	4,255	75.0%	13.4%	2,432	8.4%
Belarus	690	-21.4%	2.2%	878	3.0%
Romania*	0	-100.0%	0.0%	944	3.2%
Total	31,667	8.8%	100.0%	29,093	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 Q1 2012, the Group had 61 casinos, with the total floor area of 23,418 m². At the end of Q1 2011, the number of the Group's casinos was 65 and total floor area was 24,658 m².

Number of casinos by segment

	31.03.2012	31.03.2011
Estonia	17	17
Latvia	21	21
Lithuania	10	11
Poland	4	6
Slovakia	4	3
Belarus	5	5
Romania	0	2
Total	61	65

In Q1 2012, the Group's consolidated operating expenses decreased by 13.6% or EUR 4.1 million as compared to the respective expenses in Q1 2011. Depreciation, amortisation and impairment losses decreased the most compared to Q1 2011 by EUR 2.7 million. Staff costs with social security taxes increased the most as compared to Q1 2011 by EUR 0.3 million, rental expenses by EUR 0.2 million and licence fees and gaming taxes by EUR 0.2 million.

Staff costs with social security taxes made up the largest share of the Group's operating expenses, i.e. EUR 8.0 million, followed by gaming tax expenses of EUR 6.7 million, depreciation, amortisation and impairment losses of EUR 2.9 million, rental expenses of EUR 2.9 million and marketing expenses of EUR 2.2 million.

In Q1 2012, the consolidated net profit attributable to equity holders of the parent company totalled EUR 5.1 million. In Q1 2011, the consolidated net profit attributable to equity holders of the parent company totalled EUR 0.2 million.

Key performance indicators of the Group

(in millions of euros)

	<u>Q1 2012</u>	<u>Q1 2011</u>
Revenue	32.2	31.1
EBITDA	8.7	6.3
Operating profit	5.8	0.6
Net profit	5.1	0.2
EBITDA margin	27.1%	20.1%
Operating margin	18.0%	2.0%
Net margin	15.9%	0.6%
ROE	6.4%	0.2%
ROA	4.9%	0.2%
Current ratio	2.2	2.9
Number of casinos at year-end	61	65
Casino floor area (m ²) at year-end	23,418	24,658
Number of slot machines at the period end	2,446	2,494
Number of gaming tables at the period end	183	184

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

In Q1 2012, the external revenue of the Estonian segment totalled EUR 7.9 million, of which the income from gaming transactions totalled EUR 6.9 million and other revenue and income totalled EUR 1.0 million. The external revenue of the Estonian segment decreased by 6.9% compared to Q1 2011 (whereas the external sales revenue increased by 17.3%). The market share of Olympic Casino Eesti AS in the Estonian gaming market was 54% at the end of Q1 2012 and 54% at the end of Q1 2011. In Q1 2012, the total Estonian gaming market increased by 16.6% as compared to Q1 2011.

In Q1 2012, the EBITDA of the Estonian segment totalled EUR 1.8 million and the operating profit totalled EUR 1.1 million. In Q1 2011, the EBITDA of the Estonian segment totalled EUR 2.9 million and the operating profit totalled EUR 1.8 million.

At the end of Q1 2012, there were 17 Olympic casinos with 699 slot machines and 21 gaming tables in operation in Estonia.

Latvian segment

In Q1 2012, the external revenue of the Latvian segment totalled EUR 8.1 million, of which the income from gaming transactions totalled EUR 7.3 million and other revenue and income totalled EUR 0.8 million. The external revenue of the Latvian segment increased by 26.1% compared to Q1 2011. The market share of Olympic Casino Latvia SIA in the Latvian gaming market was 21% at the end of Q1 2012 and 20% at the end of Q1 2011. In Q1 2012, the total Latvian gaming market increased by 23.8% as compared to Q1 2011.

In Q1 2012, the EBITDA of the Latvian segment totalled EUR 3.6 million and the operating profit totalled EUR 2.9 million. In Q1 2011, the EBITDA of the Latvian segment totalled EUR 2.4 million and the operating profit totalled EUR 1.4 million.

At the end of Q1 2012, there were 21 Olympic casinos with 646 slot machines and 25 gaming tables in operation in Latvia.

Lithuanian segment

In Q1 2012, the external revenue of the Lithuanian segment totalled EUR 4.9 million, of which the income from gaming transactions totalled EUR 4.6 million and other revenue and income totalled EUR 0.3 million. The external revenue of the Lithuanian segment increased by 10.2% compared to Q1 2011. The market share of Olympic Casino Group Baltija UAB in the Lithuanian gaming market was 68% at the end of Q1 2012 and 73% at the end of Q1 2011. The total Lithuanian gaming market increased by 13.6% as compared to Q1 2011.

In Q1 2012, the EBITDA of the Lithuanian segment totalled EUR 1.1 million and the operating profit totalled EUR 0.7 million. In Q1 2011, the EBITDA of the Lithuanian segment totalled EUR 0.9 million and the operating profit totalled EUR 0.4 million.

At the end of Q1 2012, there were 10 Olympic casinos with 350 slot machines and 52 gaming tables in operation in Lithuania.

Polish segment

In Q1 2012, the external revenue of the Polish segment totalled EUR 6.3 million, of which the income from gaming transactions totalled EUR 6.1 million and other revenue and income totalled EUR 0.2 million. The external revenue of the Polish segment decreased by 16.2% compared to Q1 2011.

In Q1 2012, the EBITDA of the Polish segment totalled EUR 0.9 million and the operating profit totalled EUR 0.2 million. In Q1 2011, the EBITDA of the Polish segment totalled EUR 1.1 million and the operating loss totalled EUR 0.1 million.

At the end of Q1 2012, there were 4 Olympic casinos with 307 slot machines and 41 gaming tables in operation in Poland.

Slovak segment

In Q1 2012, the external revenue of the Slovak segment totalled EUR 4.3 million, of which the income from gaming transactions totalled EUR 3.9 million and other revenue and income totalled EUR 0.4 million. The external revenue of the Slovak segment increased by 75.0% compared to Q1 2011.

In Q1 2012, the EBITDA of the Slovak segment totalled EUR 1.1 million and the operating profit totalled EUR 0.8 million. In Q1 2011, the EBITDA of the Slovak segment totalled EUR 0.4 million and the operating profit totalled EUR 0.1 million.

At the end of Q1 2012, there were 4 Olympic casinos with 216 slot machines and 44 gaming tables in operation in Slovakia.

Belarusian segment

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

In Q1 2012, the external revenue of the Belarusian segment totalled EUR 0.7 million, of which the income from gaming transactions totalled EUR 0.6 million and other revenue and income totalled EUR 0.1 million. The external revenue of the Belarus segment decreased by 19.5% compared to Q1 2011.

In Q1 2012, the EBITDA of the Belarusian segment totalled EUR 0.2 million and the operating profit totalled EUR 0.1 million. In Q1 2011, the EBITDA of the Belarusian segment totalled EUR 0.3 million and the operating profit totalled EUR 0.1 million.

At the end of Q1 2012, there were 5 Olympic casinos with 228 slot machines in operation 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 31 March 2012, the consolidated balance sheet total of the Group was EUR 107.0 million (31 December 2011: EUR 101.0 million). The balance sheet total increased by 6.0% in Q1 2012.

Current assets totalled EUR 53.6 million or 50.1% of total assets, and non-current assets totalled EUR 53.4 million or 49.9% of total assets. At the balance sheet date, the liabilities totalled EUR 19.0 million and the equity totalled EUR 87.9 million. The largest liability items included borrowings of EUR 5.5 million, tax liabilities of EUR 4.9 million and payables to employees of EUR 3.2 million.

Investments

In Q1 2012, the Group's expenditures on property, plant and equipment totalled EUR 1.4 million, of which EUR 1.0 million was spent on construction and reconstruction of casinos and EUR 0.4 million on new gaming equipment.

In Q1 2011, expenditures on property, plant and equipment totalled EUR 0.4 million.

Cash flows

In Q1 2012, the Group's cash flows generated from operating activities totalled EUR 8.3 million. Cash flows from investing activities totalled EUR 1.6 million and cash flows used in financing activities totalled EUR 0.8 million. Net cash flows totalled EUR 9.2 million.

In Q1 2011, the Group's cash flows generated from operating activities totalled EUR 7.3 million. Cash flows used in investing activities totalled EUR 0.5 million and cash flows used in financing activities totalled EUR 0.8 million. Net cash flows totalled EUR 6.0 million.

Staff

At 31 March 2012, the Group employed 2,296 people (31 December 2011: 2,336): 520 in Estonia, 470 in Latvia, 603 in Lithuania, 375 in Poland, 222 in Slovakia and 101 in Belarus.

In Q1 2012, employee wages and salaries including social security taxes totalled EUR 7.9 million (Q1 2011: EUR 7.8 million). In Q1 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 0.17 million (Q1 2011: EUR 0.15 million) and EUR 0.04 million (Q1 2011: EUR 0.04 million), 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

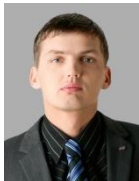
Until 31 December 2011, the Management Board of Olympic Entertainment Group AS comprised two members: Indrek Jürgenson and Madis Jääger. From 1 January 2012, the Management Board of Olympic Entertainment Group AS comprises three members, where the Chairman is Madis Jääger and members are Meelis Pielberg and Indrek Jürgenson. 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.



Indrek Jürgenson – member of the Management Board since 2009 and head of online operations since 2012. Indrek Jürgenson graduated from Tallinn University in 1998 with a degree in Physics. Indrek Jürgenson owns directly and through the companies controlled by him a total of 9,189 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 69,414,790 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 29,211,910 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

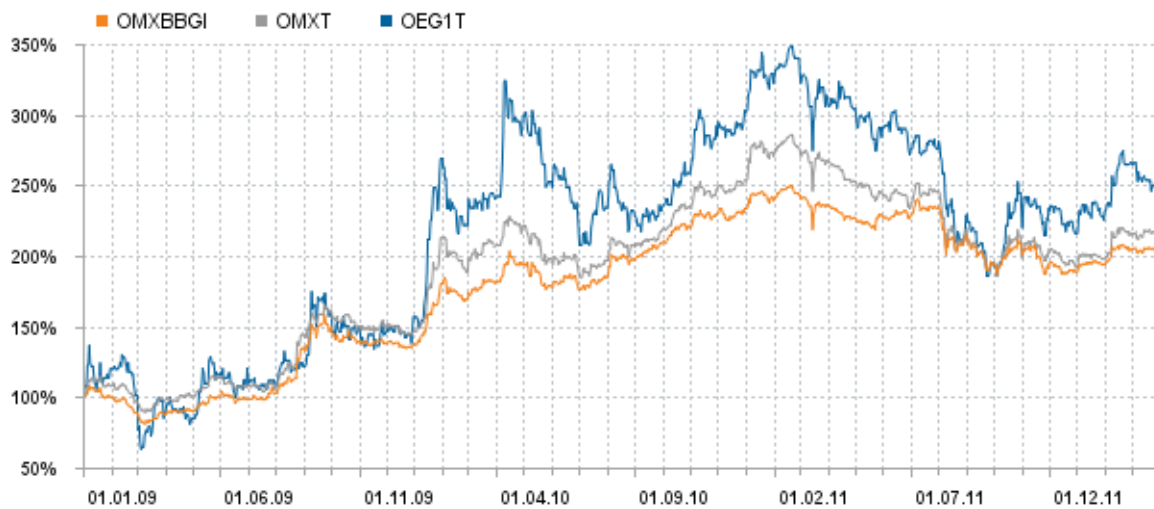
Olympic Entertainment Group AS is listed in main list of the Tallinn Stock Exchange from 23 October 2006. From 26 September 2007, the shares of Olympic Entertainment Group AS are traded on the Warsaw Stock Exchange. At 27 May 2011, the conversion of share capital of Olympic Entertainment Group AS into 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.

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:



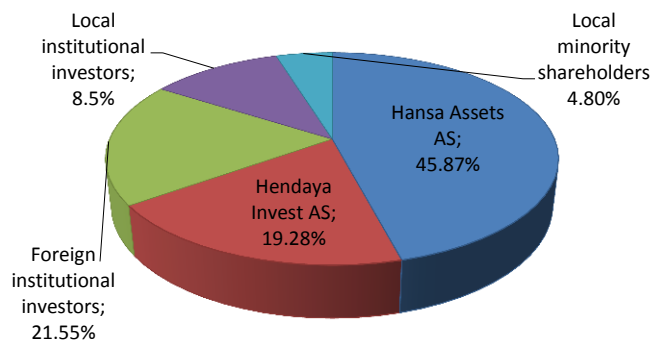
Comparison of the share of Olympic Entertainment Group AS with indices in the period of 01.01.2009-31.03.2012:



Index/share	01.01.2009	31.03.2012	+/-%
— OMX Baltic Benchmark GI	228.12	470.51	106.26
— OMX Tallinn	274.83	602.62	119.27
— OEG1T	0.49 EUR	1.29 EUR	163.27

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

OÜ HANSA ASSETS	45.87%
OÜ HENDAYA INVEST	19.28%
NORDEA BANK FINLAND PLC, CLIENTS	3.14%
Central Securities Depository of Lithuania	2.82%
Skandinaviska Enskilda Banken Ab Clients	2.29%
CITIBANK (LONDON)/ UBS AG LONDON BRANCH-IPB CLIENT ACCOUNT	2.04%
ING LUXEMBOURG S.A.	1.66%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.10%
BNYM / ING BANK SLAKSI A/C ING PARASOL	1.07%
FIREBIRD AVRORA FUND, LTD.	1.02%



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	31.03.2012	31.12.2011
ASSETS			
Current assets			
Cash and cash equivalents		42,590	33,413
Financial investments		7,246	9,508
Receivables and prepayments		2,524	2,606
Prepaid income tax		286	397
Inventories		925	909
Total current assets		53,571	46,833
Non-current assets			
Deferred tax assets		1,162	1,111
Financial investments		2,941	2,937
Other long-term receivables		723	712
Investment property	4	1,795	1,795
Property, plant and equipment	5	18,469	19,754
Intangible assets	6	28,296	27,822
Total non-current assets		53,386	54,131
TOTAL ASSETS		106,957	100,964
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	7	3,112	3,113
Trade and other payables		10,219	9,870
Income tax payable		1,572	1,215
Provisions		1,716	1,881
Total current liabilities		16,619	16,079
Non-current liabilities			
Deferred tax liability		40	90
Borrowings	7	2,360	3,136
Total non-current liabilities		2,400	3,226
TOTAL LIABILITIES		19,019	19,305
EQUITY			
Share capital		81,718	81,718
Share premium		14,535	14,535
Statutory reserve capital		2,470	2,470
Other reserves		80	53
Translation reserves		-908	-1,776
Accumulated losses		-14,808	-19,930
Total equity attributable to equity holders of the parent		83,087	77,070
Non-controlling interest		4,851	4,589
TOTAL EQUITY		87,938	81,659
TOTAL LIABILITIES AND EQUITY		106,957	100,964

Consolidated statement of comprehensive income

	Notes	Q1 2012	Q1 2011
Continuing operations			
Income from gaming transactions	9	29,596	26,349
Revenue	9	2,071	1,800
Other income	9	484	2,021
Total revenue and income		32,151	30,170
Cost of materials, goods and services		-664	-635
Other operating expenses		-14,644	-14,178
Staff costs		-8,035	-7,156
Depreciation, amortisation and impairment	3;5;6	-2,901	-4,186
Other expenses		-110	-326
Total operating expenses		-26,354	-26,481
Operating profit		5,797	3,689
Interest income		74	75
Interest expense		-55	-126
Foreign exchange gains (losses)		-14	16
Other finance income and costs		285	-2
Total finance income and costs		290	-37
Profit from operating activities		6,087	3,652
Income tax expense		-703	-353
Net profit for the period from continuing operations		5,384	3,299
Net loss for the period from discontinued operations	3	0	-3,096
Net profit for the period		5,384	203
<i>Attributable to equity holders of the parent company</i>		<i>5,122</i>	<i>183</i>
<i>Attributable to non-controlling interest</i>		<i>262</i>	<i>20</i>
Other comprehensive income			
Currency translation differences			
<i>From continuing operations</i>		<i>868</i>	<i>-329</i>
<i>From discontinuing operations</i>		<i>0</i>	<i>103</i>
Total comprehensive profit (-loss) for the period		6,252	-23
<i>Attributable to equity holders of the parent company</i>		<i>5,990</i>	<i>-43</i>
<i>Attributable to non-controlling interest</i>		<i>262</i>	<i>20</i>
Basic earnings per share*	8	3.4	0.1
<i>From continuing operations</i>		<i>3.4</i>	<i>2.2</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>-2.1</i>
Diluted earnings per share*	8	3.4	0.1
<i>From continuing operations</i>		<i>3.4</i>	<i>2.2</i>
<i>From discontinuing operations</i>		<i>0.0</i>	<i>-2.1</i>

* euro cents

Consolidated statement of cash flows

	Notes	Q1 2012	Q1 2011
Cash flows from operating activities			
Net profit		5,384	203
Adjustments:			
Depreciation, amortisation and impairment	3;5;6	2,901	5,629
Loss on disposal of non-current assets (net)		-55	145
Income tax expense		703	403
Other financial income and expenses (net)		-290	28
Changes in working capital:			
Receivables and prepayments		-112	1,141
Inventories		-16	728
Liabilities and prepayments		293	-795
Interest paid		-55	-127
Corporate income tax paid		-445	-8
Net cash generated from operating activities		8,308	7,347
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-1,215	637
Proceeds from sale of property, plant, equipment		139	0
Purchase of financial investments		-91	0
Proceeds from sale of other financial investments		2,696	0
Interest received		115	123
Net cash from (used in) from investing activities		1,644	-514
Cash flows from financing activities			
Repayments of loans received	7	-777	-777
Repayments of finance leases		-1	0
Net cash used in financing activities		-778	-777
Net cash flows		9,174	6,056
Cash and cash equivalents at beginning of the period		33,413	28,960
Exchange gains and losses on cash and cash equivalents		3	29
Cash and cash equivalents at end of the period		42,590	35,045

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	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>183</i>	<i>183</i>	<i>20</i>	<i>203</i>
<i>Other comprehensive income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-226</i>	<i>0</i>	<i>-226</i>	<i>0</i>	<i>-226</i>
Total comprehensive loss for the period	0	0	0	0	-226	183	-43	20	-23
Balance at 31.03.2011	96,717	14,535	2,413	0	514	-33,520	80,659	4,052	84,711
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>5,122</i>	<i>5,122</i>	<i>262</i>	<i>5,384</i>
<i>Other comprehensive income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>868</i>	<i>0</i>	<i>868</i>	<i>0</i>	<i>868</i>
Total comprehensive income for the period	0	0	0	0	868	5,122	5,990	262	6,252
Employee option programme	0	0	0	27	0	0	27	0	27
Balance at 31.03.2012	81,718	14,535	2,470	80	-908	-14,808	83,087	4,851	87,938

Notes to the consolidated interim financial statements

Note 1 Summary of significant accounting policies

Olympic Entertainment Group AS (hereinafter the "Company") is a company registered in Estonia at 15 November 1999. The consolidated interim financial statements of the Company prepared for the reporting period ended 31 March 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 30 April 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.

Consolidated income statement of discontinued operations

	<u>Q1 2012</u>	<u>Q1 2011</u>
Income from gaming transactions	0	834
Revenue	0	110
Other income	0	15
Total revenue and income	0	959
Cost of materials, goods and services	0	-37
Other operating expenses	0	-659
Staff costs	0	-621
Depreciation, amortisation and impairment	0	-255
Other expenses	0	-1,254
Total operating expenses	0	-2,826
Operating loss	0	-1,867
Foreign exchange gains	0	9
Total finance income and costs	0	9
Loss from operating activities	0	-1,858
Income tax expense	0	-50
Net loss for the period from discontinuing operations	0	-1,908
Loss recognised from re-measurement of assets and liabilities of disposal group		
Impairment of property, plant and equipment	0	-1,188
Total loss on the re-measurement of assets and liabilities	0	-1,188
Comprehensive loss from discontinued operations	0	-3,096

Consolidated statement of cash flows of discontinued operations

	<u>Q1 2012</u>	<u>Q1 2011</u>
Net cash used in operating activities	0	-443
Net cash used in investing activities	0	-1
Net cash flows	0	-444
Cash and cash equivalents at beginning of the period	0	816
Exchange gains and losses on cash and cash equivalents	0	9
Cash and cash equivalents at end of the period	0	381

Note 4 Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At 31.12.2011	1,333	462	1,795
At 31.03.2012	1,333	462	1,795

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	189	372	12	816	1,389
Sales	0	0	-104	0	0	-104
Write-offs	0	0	-1	-1	0	-2
Transfers	0	27	18	1	-46	0
Depreciation charge	-2	-783	-1,835	-151	0	-2,771
Impairment losses	0	0	-50	0	0	-50
Currency translation differences	3	79	158	13	0	253
At 31.03.2012	43	7,320	9,197	708	1,201	18,469

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	34	34
Amortisation charge	0	-78	-78
Currency translation differences	490	28	518
At 31.03.2012	27,545	751	28,296

Note 7 Borrowings

	<u>31.03.2012</u>	<u>31.12.2011</u>
Short-term borrowings		
Current portion of finance lease	3	4
Current portion of long-term debt	3,109	3,109
Total short-term borrowings	3,112	3,113
Long-term borrowings		
Non-current portion of finance lease	13	13
Non-current portion of long-term debt	2,332	3,109
Other borrowings	15	14
Total long-term borrowings	2,360	3,136
Total borrowings	5,472	6,249

Note 8 Equity

At the annual general meeting of the shareholders held on 19 April 2012 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 calculated 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 shall be paid to the shareholders within the term set forth by the law. Upon reducing the share capital, EUR 6,053,180.20 shall not be paid to the shareholders but shall be used to cover the retained loss.

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

	<u>Q1 2012</u>	<u>Q1 2011</u>
Net profit for the period	5,122	183
Weighted average number of shares outstanding (in thousands)	151,329	151,329
Basic earnings per share (euro cents)	3.4	0.1
Diluted earnings per share (euro cents)	3.4	0.1

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

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

Note 9 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis on external sales revenue and operating profit. At 31 March 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.

Q1 2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	6,944	7,340	4,587	6,146	3,943	636	29,596
Revenue	692	638	307	92	312	54	2,095
Inter-segment revenue	-22	-2	0	0	0	0	-24
External revenue	7,614	7,976	4,894	6,238	4,255	690	31,667
Other external revenue	248	122	19	77	0	18	484
Total revenue	7,862	8,098	4,913	6,315	4,255	708	32,151
Total expenses	-6,782	-5,197	-4,207	-6,144	-3,458	-566	-26,354
Incl. depreciation, amortisation and impairment losses	-756	-657	-415	-715	-281	-77	-2,901
Total operating profit	1,080	2,901	706	171	797	142	5,797
Q1 2011	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Total
Income from gaming transactions	5,921	5,881	4,136	7,380	2,211	820	26,349
Revenue	604	530	284	143	221	58	1,840
Inter-segment revenue	-35	0	-5	0	0	0	-40
External revenue	6,490	6,411	4,415	7,523	2,432	878	28,149
Other external revenue	1,959	10	41	11	0	0	2,021
Total revenue	8,449	6,421	4,456	7,534	2,432	878	30,170
Total expenses	-6,625	-4,987	-4,090	-7,654	-2,307	-818	-26,481
Incl. depreciation, amortisation and impairment losses	-1,028	-954	-523	-1,221	-248	-212	-4,186
Total operating profit (-loss)	1,824	1,434	366	-120	125	60	3,689

Note 10 Transactions with related parties

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

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

<u>Purchase of goods and services</u>	<u>Q1 2012</u>	<u>Q1 2011</u>
Shareholders with significant influence	18	19
Total	18	19

As at 31.03.2012 and 31.12.2011, there were no balances of receivables and liabilities.

In Q1 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 169 thousand (Q1 2011: EUR 153 thousand) and EUR 39 thousand (Q1 2011: EUR 39 thousand), respectively.