

Olympic Entertainment Group AS

Consolidated interim financial statements for the 4th quarter and the 12-month period of 2013 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2013
End of reporting period	31 December 2013
Business name	Olympic Entertainment Group AS
Registration number	10592898
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Telephone	+372 667 1250
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E-mail	info@oc.eu
Website	www.olympic-casino.com
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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

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Corporate Profile

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

Olympic Entertainment Group AS is the Group’s ultimate holding company, organising the strategic management and financing of the Group. The operations of local casinos are controlled by local subsidiaries which include Olympic Casino Estonia AS in Estonia, Olympic Casino Latvia SIA and Altea SIA in Latvia, Olympic Casino Group Baltija UAB in Lithuania, Casino Polonia-Wroclaw Sp. z o.o. in Poland, Olympic Casino Slovakia S.r.o. in Slovakia, Olympic Casino Bel IP in Belarus and The Box S.r.l and Jackpot Game S.r.l. in Italy. Most of the Group’s casino properties operate under the trademark of Olympic Casino. In addition to land-based casinos the Group is also providing online casino services and has operated a 4-star hotel and casino complex in Tallinn, Estonia until October 30th 2013.

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

As at 31 December 2013, the Group had a total of 82 casinos 17 of which were added through acquisition of Latvian casino operator Altea SIA on 28 June 2013. The Group operates 18 casinos in Estonia, 38 in Latvia, 12 in Lithuania, 3 in Poland, 5 in Slovakia, 4 in Belarus and 2 in Italy. The Group employed 2,515 employees in 7 countries.

Group entities include:

	Domicile	Ownership 31.12.2013	Ownership 31.12.2012	Area of activity
Olympic Casino Eesti AS	Estonia	95%	95%	Gaming services
Kungla Investeeringu AS	Estonia	100%	100%	Bar services
Kesklinna Hotelli OÜ	Estonia	100%	97.5%	Hotel real estate development
Fortuna Travel OÜ	Estonia	100%	95%	Hotel operations
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	100%	100%	Gaming services
Ahti SIA	Latvia	100%	100%	Bar services
Altea SIA	Latvia	95%	-	Gaming services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Gaming services
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
Silber Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Baina Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Casino-Polonia Wroclaw Sp. z o.o.	Poland	80%	80%	Gaming services
Olympic Casino Slovakia S.r.o	Slovakia	100%	100%	Gaming services
Olympic F & B S.r.o.	Slovakia	100%	100%	Bar services
Olympic Casino Bel IP	Belarus	100%	100%	Gaming services
The Box S.r.l.	Italy	50%	50%	Gaming services
Jackpot Game S.r.l.	Italy	50%	50%	Gaming services
Siquia Holding B.V.	Holland	95%	-	Holding activities
Jessy Investments B.V.	Holland	100%	-	Holding activities
Gameteck Services Ltd	Jersey	100%	-	Software services
Brandhouse Ltd	Jersey	100%	-	Holding activities
Olympic Casino Ukraine TOV	Ukraine	100%	100%	Bankrupt
Alea Private Company	Ukraine	100%	100%	Bankrupt

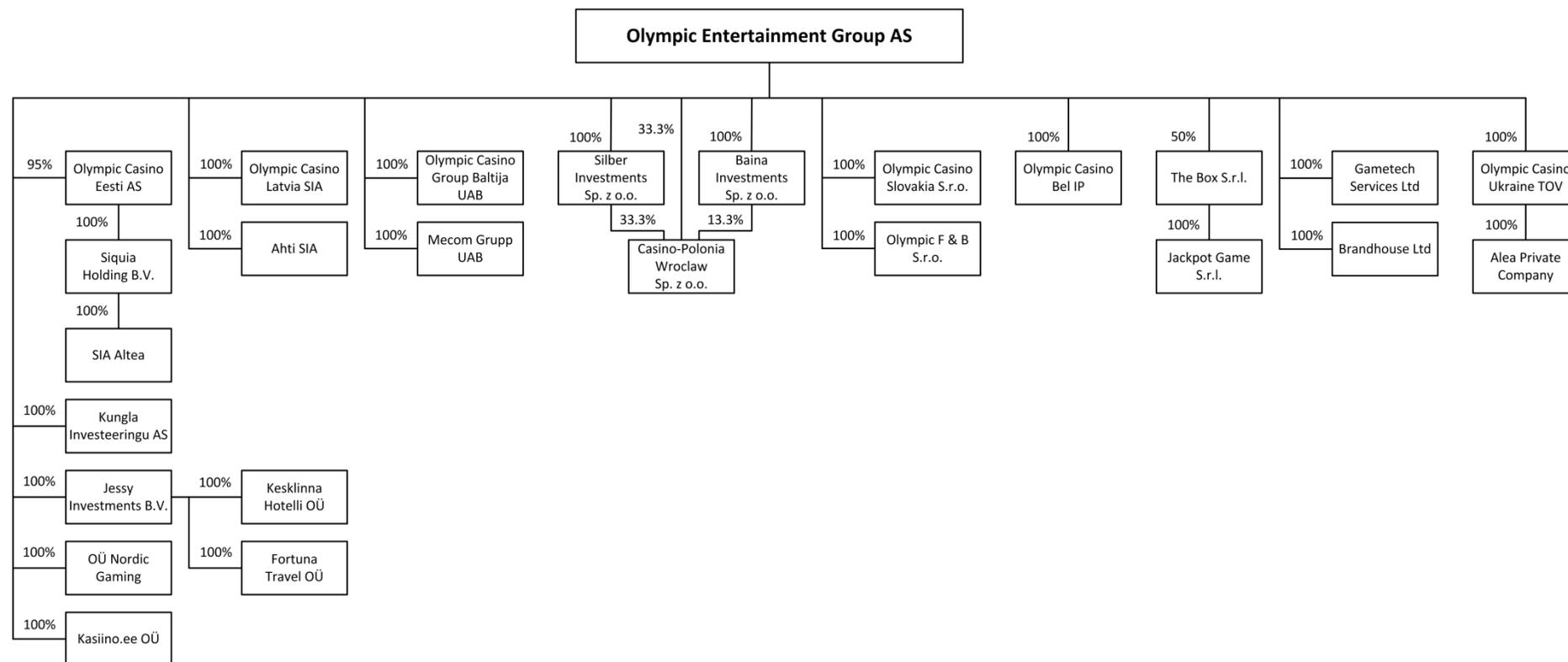
Our vision

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

Our mission

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

Group's structure at 31 December 2013



Declaration of the Management

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



Madis Jääger
Chairman of the Management Board



Meelis Pielberg
Member of the Management Board

27th February 2014

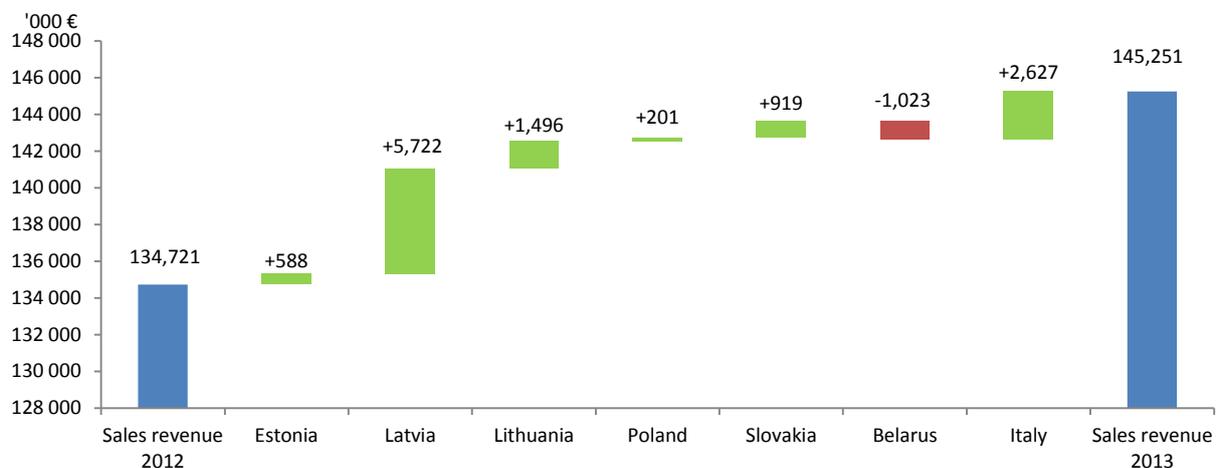
Management Report

Overview of the economic activities

Key developments of the Group during the 12 months of 2013:

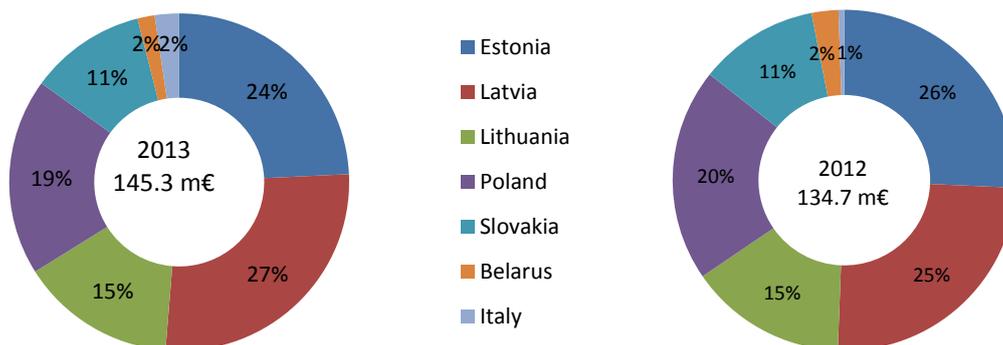
- The Group's consolidated sales revenues for 12 months of 2013 amounted to EUR 145.3 million, up 7.8% or EUR 10.5 million y-o-y.
- Gaming revenues accounted for 93.6% (135.9 m€) and other revenues for 6.4% (9.3 m€) of the Group's consolidated sales revenues for the 12 months of 2013. A year before the revenue split was 93.1% (125.6 m€) and 6.9% (9.2 m€), respectively.
- The Group's consolidated EBITDA for the 12 months of 2013 amounted to EUR 39.5 million, up 2.3% from EUR 38.7 million a year before. The Group's consolidated operating profit increased EUR 3.4 million (+11.9%) to EUR 31.8 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for the 12 months of 2013 totalled EUR 25.7 million compared to EUR 24.2 million a year ago (+6.2%).
- On 11 March Olympic Casino Eesti AS, the subsidiary of Olympic Entertainment Group AS, acquired a 100% shareholding in Siquia Holding B.V. registered in the Netherlands.
- On 11 March 2013 Olympic Entertainment Group AS established and registered the companies Gametech Services Ltd and Brandhouse Ltd in Jersey to create a legal platform for the expansion of the Group's activities in markets related to online gaming.
- The annual general meeting of the shareholders held on 18 April 2013 decided to pay dividends in the amount of 15,132,950.50 euros.
- As part of the restructuring, Olympic Entertainment Group AS acquired 100% of the shares of the Dutch entity Jessy Investments B.V. and transferred the 100% shareholding in OÜ Fortuna Travel to the acquired entity. In addition, Olympic Entertainment Group AS acquired 100% shareholding in Kesklinna Hotelli OÜ, the share of which was used to increase the share capital of Jessy Investments B.V through non-monetary contribution. The restructuring was completed in June 2013.
- On 28 June 2013 Siquia Holding B.V, the subsidiary of Olympic Casino Eesti AS, signed a sales-purchase agreement to acquire 100% shareholding in Latvian casino operator Altea SIA, which led to an increase of Group's casinos in Latvia from 21 to 38.
- On 18 July 2013 Group entity Kesklinna Hotelli OÜ and AS Merko Ehitus Eesti signed an agreement for the construction of new upscale hotel instead of Reval Park Hotel & Casino. The new hotel will be operated by Hilton Worldwide under its Hilton Hotels & Resorts brand. The estimated cost of the new hotel and casino complex expected to open in December 2015 is EUR 36 million. Starting from November 1st 2013 Group's Estonian flagship casino is operating in Radisson Blue Hotel Olümpia premises.
- Group entity Olympic Casino Latvia SIA started providing online gaming services in Latvia from 1 August 2013. In addition, the Group launched sports betting and sports bar network under Olybet name, a new brand for online services.

The Group's consolidated sales revenue by segments:



The Group's consolidated sales revenue by segments:

'000€	Q4 2013	Q3 2012	Change	12M 2013	12M 2012	Change
Estonia	9,217	9,506	-3.0%	35,229	34,641	1.7%
Latvia	11,775	8,900	32.3%	39,267	33,545	17.1%
Lithuania	6,006	5,624	6.8%	21,503	20,007	7.5%
Poland	7,100	7,395	-4.0%	27,408	27,207	0.7%
Slovakia	4,150	4,188	-0.9%	16,109	15,190	6.1%
Belarus	570	920	-38.0%	2,378	3,401	-30.1%
Italy	827	730	13.3%	3,357	730	360.0%
Total	39,645	37,263	6.4%	145,251	134,721	7.8%

Share of segments in the Group's sales revenue:

At the end of December 2013, the Group had 82 casinos with total floor area of 28,031 m² (+4,001 m²).

Number of casinos by segment:

	31 December 2013	31 December 2012
Estonia	18	18
Latvia	38	21
Lithuania	12	10
Poland	3	3
Slovakia	5	4
Belarus	4	5
Italy	2	2
Total	82	63

The Group's consolidated operating expenses for the 12 months of 2013 amounted to EUR 114.0 million, up 6.0% or EUR 6.5 million y-o-y. The growth was highest in personnel expenses (+2.9 m€, +8.7%), rent expenses (+2.2 m€, +21.9%) and gaming tax (+1.4 m€, +5.3%). Amortization and depreciation cost declined the most (-2.5 m€, -24.4%). Personnel expenses (35.9 m€) and gaming tax (28.9 m€) represented the largest cost items accounting for 56.8% of total operating expenses.



Key performance indicators of the Group

		12M 2013	12M 2012	12M 2011
Revenues	m€	145.8	135.9	127.3
Gaming tax	m€	28.9	27.5	25.7
EBITDA	m€	39.5	38.7	32.0
EBIT	m€	31.8	28.4	16.4
Net profit	m€	25.7	24.2	13.8
EBITDA margin	%	27.1	28.5	25.1
Operating margin	%	21.8	20.9	12.9
Net margin	%	17.7	17.8	10.9
Assets	m€	118.3	109.2	101.0
Equity	m€	102.0	93.0	81.7
ROE	%	27.9	29.4	17.5
ROA	%	22.6	23.0	13.3
Current ratio	times	3.2	3.5	2.9
Casinos at end of period	#	82	63	61
Casino floor area at end of period	m ²	28,031	24,030	24,014
Employees	#	2,515	2,277	2,336
Slot machines at end of period	#	3,038	2,594	2,471
Gaming tables at end of period	#	191	178	180

Underlying formulas:

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

Overview by markets

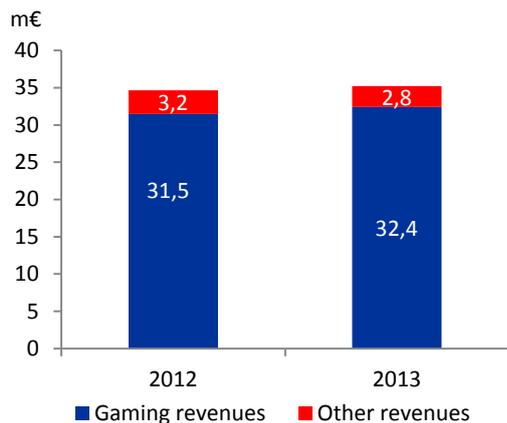
Estonia

The sales revenues of Estonian segment for the 12 months of 2013 amounted to EUR 35.2 million (+0.6 m€, +1.7%), EBITDA to EUR 9.3 million (-0.3 m€, -3.4%) and operating profit to EUR 7.7 million (+1.0 m€, +15.2%). Gaming revenue increased 3.0% y-o-y amounting to EUR 32.4 million.

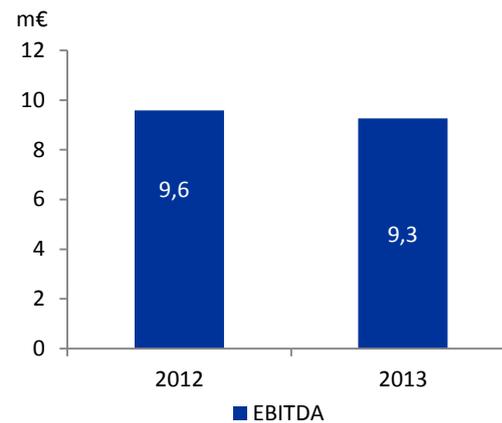
The market share of Olympic Casino Eesti AS in the Estonian land-based gaming market was 56% in Q4 2013 remaining on the same level as a year ago. All in all, total Estonian land-based gaming market increased in 2013 by 3% as compared to the same period a year ago.

At the end of 2013, there were 18 Olympic casinos with 737 slot machines and 19 gaming tables operating in Estonia. As at 31 December 2013, the Estonian operations employed 477 people.

Sales revenues



EBITDA



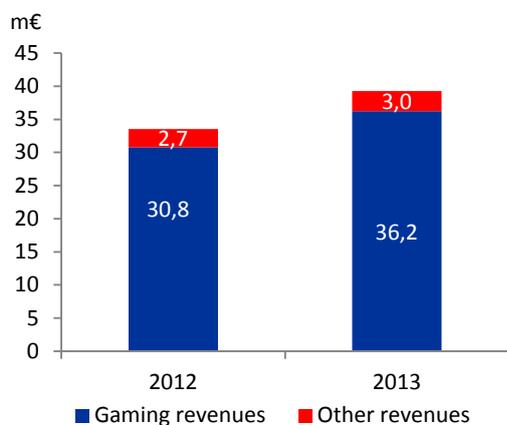
Latvia

The sales revenues of Latvian segment for the 12 months of 2013 amounted to EUR 39.3 million (+5.7 m€, +17.1%), EBITDA to EUR 17.0 million (+1.5 m€, +10.0%) and operating profit to EUR 14.7 million (+1.5 m€, +11.2%). Gaming revenue increased 17.6% y-o-y amounting to EUR 36.2 million.

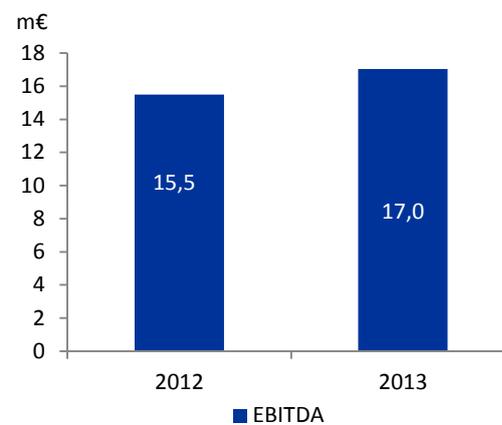
The market share of Latvian operations in the Latvian gaming market was approximately 24% in Q4 2013, up from 21% a year ago. Total Latvian gaming market increased by 4% as compared to the 12 months of 2012.

At the end of December 2013, there were 38 Olympic casinos with 1,044 slot machines and 18 gaming tables operating in Latvia. As at 31 December 2013, there were 659 employees in Latvia.

Sales revenues



EBITDA



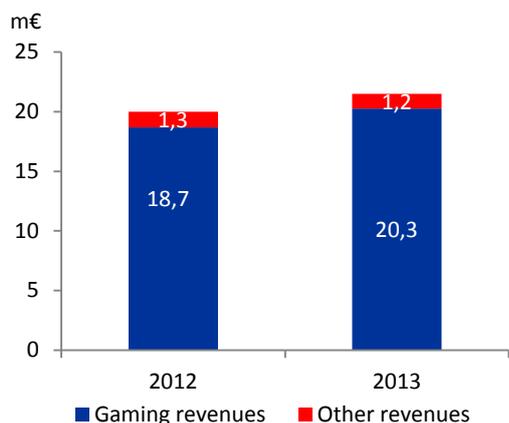
Lithuania

The sales revenues of Lithuanian segment for the 12 months of 2013 amounted to EUR 21.5 million (+1.5 m€, +7.5%), EBITDA to EUR 4.9 million (-0.4 m€, -7.0%) and operating profit to EUR 3.7 million (-0.2 m€, -4.8%). Gaming revenue increased 8.4% y-o-y amounting to EUR 20.3 million.

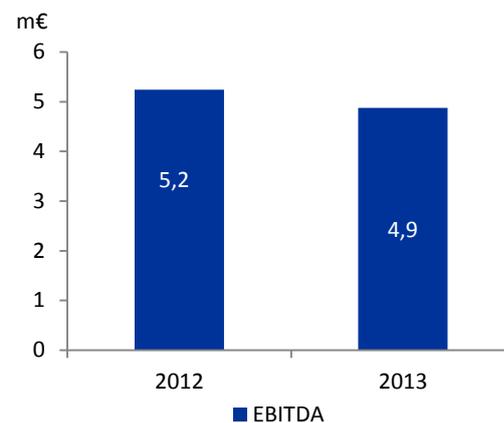
The market share of Olympic Casino Group Baltija UAB in the Lithuanian gaming market was 69% in Q4 2013, remaining on the same level as a year before. Total Lithuanian gaming market increased by 8% as compared to 2012.

At the end of December 2013, there were 12 Olympic casinos with 424 slot machines and 62 gaming tables operating in Lithuania. As at 31 December 2013, the Lithuanian operations employed 674 people.

Sales revenues



EBITDA

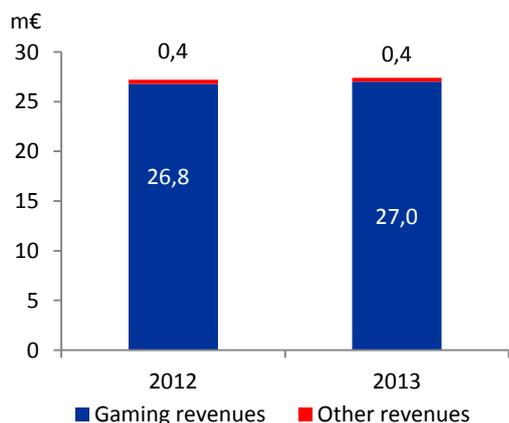


Poland

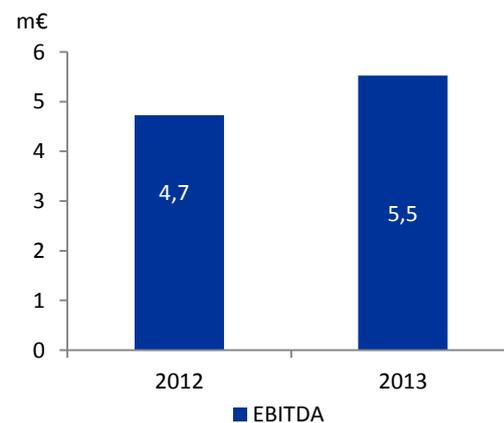
The sales revenues of Polish segment for the 12 months of 2013 amounted to EUR 27.4 million (+0.2 m€, +0.7%), EBITDA to EUR 5.5 million (+0.8 m€, +16.8%) and operating profit to EUR 4.5 million (+1.9 m€, +72.9%). Gaming revenue increased 0.9% y-o-y amounting to EUR 27.0 million.

At the end of December 2013, there were 3 Olympic casinos with 271 slot machines and 39 gaming tables operating in Poland. As at 31 December 2013, the Polish operations employed 337 people.

Sales revenues



EBITDA

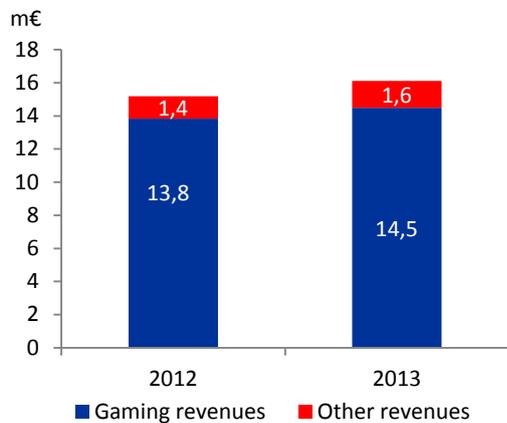


Slovakia

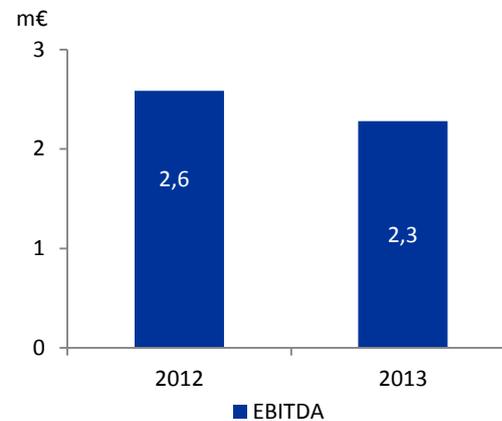
The sales revenues of Slovak segment for the 12 months of 2013 amounted to EUR 16.1 million (+0.9 m€, +6.1%), EBITDA to EUR 2.3 million (-0.3 m€, -11.8%) and operating profit to EUR 1.1 million (-0.2 m€, -16.9%). Gaming revenue increased 4.7% y-o-y amounting to EUR 14.5 million.

At the end of December 2013, there were 5 Olympic casinos with 263 slot machines and 53 gaming tables operating in Slovakia. As at 31 December 2013, The Slovak operations employed 277 people.

Sales revenues



EBITDA



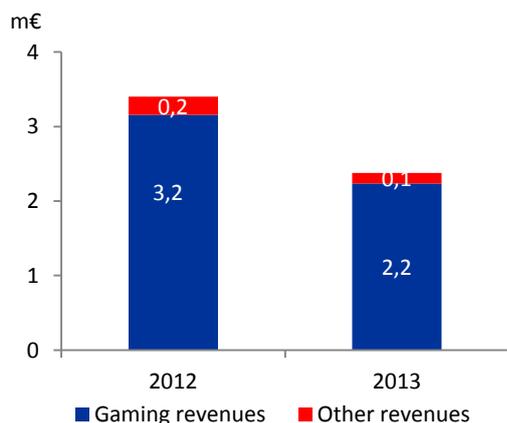
Belarus

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

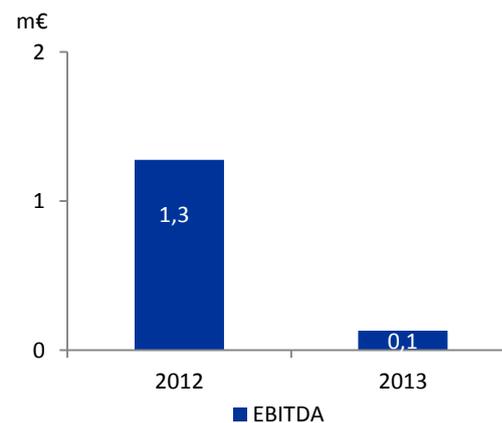
The sales revenues of Belarusian segment for the 12 months of 2013 amounted to EUR 2.4 million (-1.0 m€, -30.1%), EBITDA to EUR 0.1 million (-1.1 m€, -89.6%) and operating profit to EUR 0.1 million (-1.0 m€, -95.4%). Gaming revenue decreased 29.2% y-o-y amounting to EUR 2.2 million.

At the end of December 2013, there were 4 Olympic casinos with 187 slot machines operating in Belarus. As at 31 December 2013, the Belarusian operations employed 84 people.

Sales revenues



EBITDA



Italy

The sales revenues of Italian segment before deducting the gaming tax of Italy for the 12 months of 2013 amounted to EUR 7.0 million, EBITDA to EUR 0.4 million and operating profit to EUR 0.1 million. The Group is operating in Italy since August 2012. At the end of 2013, there were 2 VLT slot casinos with 112 slot machines operating in Italy. As at 31 December 2013, there were 7 employees in Italy.

Financial position

As at 31 December 2013, the total assets of the Group amounted to EUR 118.3 million, up 8.3% or EUR 9.1 million compared to the same period a year ago.

Current assets totalled EUR 50.0 million or 42.2% of total assets, and non-current assets EUR 68.3 million or 57.8% of total assets. The liabilities amounted to EUR 16.3 million and equity to EUR 102.0 million. The largest liabilities included suppliers payable and customer prepayments (5.2 m€), tax liabilities (4.6 m€) and payables to employees (3.6 m€).

Investments

In the 12 months of 2013, the Group's expenditures on property, plant and equipment totalled EUR 14.3 million (+5.5 m€), of which EUR 6.9 million was invested to new gaming equipment (+2.9m€) and EUR 6.6 million (+2.3 m€) to construction and reconstruction of casinos.

Cash flows

In the 12 months of 2013, the Group's cash flows generated from operating activities amounted to EUR 33.2 million (-1.5 m€) and cash flows from investing activities to EUR -6.7 million (-4.0 m€). Financing cash flows amounted to EUR -17.9 million (-3.6 €). Net cash flows totalled EUR 8.6 million (+6.1 m€).

Staff

As at 31 December 2013, the Group employed 2,515 people, up by 238 y-o-y mostly due to expansion in Latvia as well as opening new casinos in Lithuania and Slovakia.

In the 12 months of 2013, total personnel expenses amounted to EUR 35.9 million (+2.9 m€, +8.7%). 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 823 thousand (793 thousand in 2012) and EUR 157 thousand (EUR 157 thousand in 2012), respectively.

Description of Main Risks

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

Business risks

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

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

Currency risk

The Group earns income in euros, Latvian lats (until 31.12.2013), Lithuanian litas, Polish zloty and Belarusian rubles. Most of the Group's expenses are incurred in these currencies in its operating markets. The changes in exchange rates of these currencies against the euro impact both the Group's revenues and expenses, as a result of which there is no major effect on the Group's operating profit.

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

Credit risk

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

Management and Supervisory Boards

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



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



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

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

- Armin Karu – Chairman of the Supervisory Board since 2008. Armin Karu is the founder of the Company. He graduated from Haaga Institute in Finland (International Management Diploma 1998; MBA 2005). Armin Karu owns directly and through the companies controlled by him a total of 68,364,790 Company's shares.
- Jaan Korpusov – member of the Supervisory Board since 2006. Jaan Korpusov graduated from University of Tartu in 1985 the faculty of history. Jaan Korpusov owns directly and through the companies controlled by him a total of 28,761,910 Company's shares.
- Liina Linsi – member of the Supervisory Board since 2006. Liina Linsi graduated from University of Tartu (law) in 1984 *cum laude*. Liina Linsi owns directly and through the companies controlled by her a total of 16,681 Company's shares.
- Peep Vain – member of the Supervisory Board since 2006. Peep Vain studied radio technology at Tallinn Polytechnic Institute (1986-1987) and business administration at the University of Tartu (1989-1990). He graduated from Bentley College in Massachusetts, USA with a degree in marketing *cum laude*. Peep Vain owns neither directly nor through the companies controlled by him any of the Company's shares.

Shares of Olympic Entertainment Group AS

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

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

Movements in the share price (in EUR) and traded volume (number of securities) of Olympic Entertainment Group AS during the period of 01 January 2010 – 31 December 2013:



Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2010 – 31 December 2013:

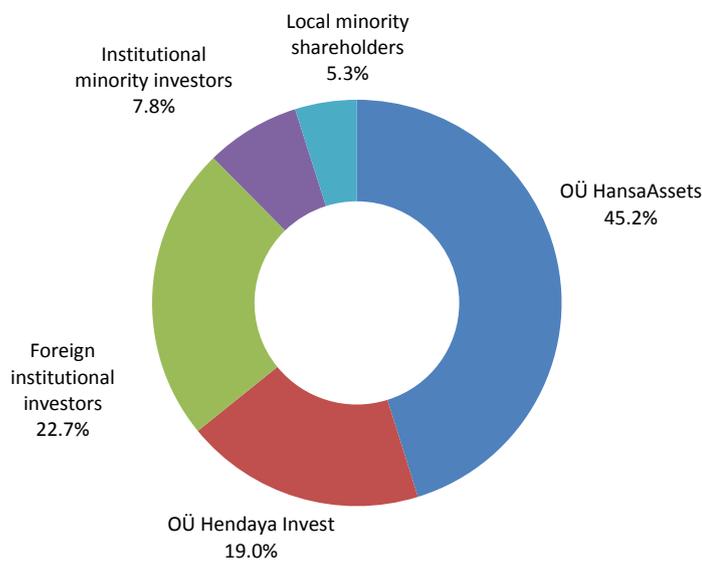


Index/share	01 Jan 2010	31 Dec 2013	+/-%
— OMX Baltic Benchmark GI	314.42	613.5	95.12
— OMX Tallinn	404.58	817.72	102.12
— OEG1T	0.77 EUR	1.86 EUR	141.56

Largest shareholders of Olympic Entertainment Group AS at 31 December 2013:

OÜ HansaAssets	45.17%
OÜ Hendaya Invest	18.98%
Skandinaviska Enskilda Banken Ab, Swedish Clients	3.34%
J.P. Morgan Bank Luxembourg S.A.	3.02%
NORDEA BANK Finland PLC, clients	2.19%
ING Luxembourg S.A. AIF Account	1.66%
Citibank (London) UBS AG London Branch-IPB clients	1.54%
State Street Bank and Trust Omnibus Account A Fund NO OM01	1.29%
JPMorgan Chase Bank, National Association on behalf of US residents	0.95%

Structure of Olympic Entertainment Group AS shareholders as at 31 December 2013:



Consolidated Interim Financial Statements

Consolidated statement of financial position

	Notes	31.12.2013	31.12.2012
ASSETS			
Current assets			
Cash and cash equivalents		44,582	35,973
Financial investments		1,086	13,773
Receivables and prepayments		2,946	2,730
Prepaid income tax		357	280
Inventories		1,001	1,036
Total current assets		49,972	53,792
Non-current assets			
Deferred tax assets		1,077	1,038
Financial investments		3,396	2,035
Other long-term receivables		670	712
Investment property	3	1,784	1,785
Property, plant and equipment	4	26,513	19,611
Intangible assets	5	34,865	30,226
Total non-current assets		68,305	55,407
TOTAL ASSETS		118,277	109,199
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	6	240	241
Trade and other payables		13,494	12,827
Income tax payable		776	827
Provisions		1,181	1,585
Total current liabilities		15,691	15,480
Non-current liabilities			
Deferred tax liability		246	140
Borrowings	6	369	596
Total non-current liabilities		615	736
TOTAL LIABILITIES		16,306	16,216
EQUITY			
Share capital		60,532	60,532
Statutory reserve capital		1,210	0
Other reserves		235	141
Translation reserves		-1,204	-700
Retained earnings		36,782	27,327
Total equity attributable to equity holders of the parent		97,555	87,300
Non-controlling interest		4,416	5,683
TOTAL EQUITY		101,971	92,983
TOTAL LIABILITIES AND EQUITY		118,277	109,199

Consolidated statement of comprehensive income

	Notes	Q4 2013	Q4 2012	2013	2012
Income from gaming transactions	8	37,285	34,856	135,921	125,479
Revenue	8	2,360	2,407	9,330	9,242
Other income	8	287	666	568	1,224
Total revenue and income		39,932	37,929	145,819	135,945
Cost of materials, goods and services		-816	-796	-3,044	-2,907
Other operating expenses		-18,010	-16,998	-66,826	-61,036
Staff costs		-9,875	-9,050	-35,878	-33,005
Depreciation, amortisation and impairment	4;5	-1,780	-2,421	-7,763	-10,380
Change in the fair value of investment property		-1	107	-1	107
Other expenses		-333	-112	-524	-327
Total operating expenses		-30,815	-29,270	-114,036	-107,548
Operating profit		9,117	8,659	31,783	28,397
Interest income		42	134	163	351
Interest expense		-4	-13	-17	-157
Foreign exchange gains (losses)		-1	-10	-59	-47
Other finance income and costs		-1	-975	-623	436
Total finance income and costs		36	-864	-536	583
Profit from operating activities		9,153	7,795	31,247	28,980
Income tax expense		-1,444	-1,247	-4,323	-3,961
Net profit for the period		7,709	6,548	26,924	25,019
<i>Attributable to equity holders of the parent company</i>		<i>7,402</i>	<i>6,502</i>	<i>25,694</i>	<i>24,199</i>
<i>Attributable to non-controlling interest</i>		<i>307</i>	<i>46</i>	<i>1,230</i>	<i>820</i>
Other comprehensive income					
Currency translation differences		83	-40	-504	1,076
Total comprehensive profit for the period		7,792	6,508	26,420	26,095
<i>Attributable to equity holders of the parent company</i>		<i>7,485</i>	<i>6,462</i>	<i>25,190</i>	<i>25,275</i>
<i>Attributable to non-controlling interest</i>		<i>307</i>	<i>46</i>	<i>1,230</i>	<i>820</i>
Basic earnings per share*	7	4.9	4.3	17.0	16.0
Diluted earnings per share*	7	4.9	4.3	17.0	16.0

* euro cents

Consolidated statement of cash flows

	Notes	2013	2012
Cash flows from operating activities			
Net profit		26,924	25,019
Adjustments:			
Depreciation, amortisation and impairment	4;5	7,763	10,380
Profit / loss on disposal of non-current assets (net)		64	-44
Change in fair value of investment property		1	-107
Income tax expense		4,323	3,961
Other financial income and expenses (net)		536	-583
Changes in working capital:			
Receivables and prepayments		485	-669
Inventories		35	-127
Liabilities and prepayments		-2,741	1,252
Interest paid		-17	-161
Corporate income tax paid		-4,149	-4,243
Net cash generated from operating activities		33,224	34,678
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-12,582	-7,571
Proceeds from sale of property, plant, equipment		52	153
Purchase of investment property		0	-14
Proceeds from sale of investment property		0	131
Purchase of financial investments		-1,379	-5,206
Proceeds from sale of other financial investments		11,150	2,696
Acquisition of subsidiary, net of cash acquired		-4,244	-1,248
Interest received		267	354
Net cash used in from investing activities		-6,736	-10,705
Cash flows from financing activities			
Repayments of loans received	6	-238	-6,276
Repayments of finance leases		-4	-4
Reduction of share capital paid		0	-15,143
Dividends paid		-17,630	0
Net cash used in financing activities		-17,872	-21,423
Net cash flows		8,616	2,550
Cash and cash equivalents at beginning of the period		35,973	33,413
Exchange gains and losses on cash and cash equivalents		-7	10
Cash and cash equivalents at end of the period		44,582	35,973

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent								Total equity
	Share capital	Share premium	Statutory reserve capital	Other reserves	Currency translation differences	Retained earnings	Total	Non-controlling interest	
Balance at 31.12.2011	81,718	14,535	2,470	53	-1,776	-19,930	77,070	4,589	81,659
<i>Net profit for the period</i>	0	0	0	0	0	24,199	24,199	820	25,019
<i>Other comprehensive income</i>	0	0	0	0	1,076	0	1,076	0	1,076
Total comprehensive income for the period	0	0	0	0	1,076	24,199	25,275	820	26,095
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	88	0	0	88	0	88
Acquired through business combinations	0	0	0	0	0	0	0	284	284
Balance at 31.12.2012	60,532	0	0	141	-700	27,327	87,300	5,683	92,983
Balance at 31.12.2012	60,532	0	0	141	-700	27,327	87,300	5,683	92,983
<i>Net profit for the period</i>	0	0	0	0	0	25,694	25,694	1,230	26,924
<i>Other comprehensive expense</i>	0	0	0	0	-504	0	-504	0	-504
Total comprehensive income for the period	0	0	0	0	-504	25,694	25,190	1,230	26,420
Statutory reserve capital	0	0	1,210	0	0	-1,210	0	0	0
Dividends paid	0	0	0	0	0	-15,133	-15,133	-2,497	-17,630
Employee option programme	0	0	0	94	0	0	94	0	94
Other adjustments	0	0	0	0	0	104	104	0	104
Balance at 31.12.2013	60,532	0	1,210	235	-1,204	36,782	97,555	4,416	101,971

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 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group").

This condensed consolidated interim financial information was approved by the management for issue on 27 February 2014.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2012 are available upon request from the Company's registered office at Pronksi 19, Tallinn and at the Company's website at www.olympic-casino.com.

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial statements do not include all of the information required by complete set of financial statements and should be read in conjunction with annual consolidated financial statements of the Group as at and for the year ended 31 December 2012.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012.

Note 2 Seasonality of operations

Due to the slight seasonal nature of the gaming market, higher revenues are generated in the second half of the year. In the financial year ended 31 December 2013, 46% of the income from gaming transactions accumulated in the first half of the year, with 54% accumulating in the second half.

Note 3 Investment property

	Land	Buildings	Total
At 31 December 2012	1,299	486	1,785
Net gain from fair value adjustments	44	-45	-1
At 31 December 2013	1,343	441	1,784

Note 4 Property, plant and equipment

	Land and buildings	Renovation expenditures	Machinery & equipment	Other PP&E	Construction in progress	Total
At 31 December 2012	38	7,189	10,355	1,192	837	19,611
Additions	0	2,849	6,947	736	3,797	14,329
Acquired through business combination	0	18	185	0	2	205
Disposals	0	0	-146	0	0	-146
Write-offs	0	-102	-15	-11	0	-128
Reclassifications	0	1,264	1,575	206	-3,045	0
Depreciation charge	-7	-2,072	-4,715	-513	0	-7,307
Reversal of impairment losses	0	0	52	0	0	52
Currency translation differences	0	-30	-62	-8	-3	-103
At 31 December 2013	31	9,116	14,176	1,602	1,588	26,513

Note 5 Intangible assets

	Goodwill	Software and licences	Total
At 31 December 2012	29,424	802	30,226
Additions	0	705	705
Acquired through business combination	4,516	1	4,517
Write-offs	0	-1	-1
Amortisation charge	0	-379	-379
Currency translation differences	-197	-6	-203
At 31 December 2013	33,743	1,122	34,865

Note 6 Borrowings

	31.12.2013	31.12.2012
Short-term borrowings		
Current portion of finance lease	2	3
Current portion of long-term debt	238	238
Total short-term borrowings	240	241
Long-term borrowings		
Non-current portion of finance lease	7	10
Non-current portion of long-term debt	325	563
Other borrowings	37	23
Total long-term borrowings	369	596
Total borrowings	609	837

Jackpot Game S.r.l and Banka Popolare di Milano have concluded the loan agreement with the due date of 31 March 2016. The annual interest rate is 3-month Euribor + 2.0%.

Note 7 Equity

The General Meeting of Shareholders held at 18 April 2013 decided to pay dividends to the shareholders of 0.10 euros per share in the total amount of 15,132,950.50 euros. Dividends were paid out to the shareholders on 15 May 2013.

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

Earnings per share

	Q4 2013	Q4 2012	2013	2012
Net profit for the period	7,402	6,502	25,694	24,199
Weighted average number of shares outstanding (in thousands)	151,329	151,329	151,329	151,329
Basic earnings per share (euro cents)	4.9	4.3	17.0	16.0
Diluted earnings per share (euro cents)	4.9	4.3	17.0	16.0

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

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

Note 8 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis of external sales revenue and operating profit. At 31 December 2013, the Group had operations in the Estonian, Latvian, Lithuanian, Polish, Slovak, Belarusian and Italian markets.

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

Q4 2013	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	8,704	10,926	5,638	6,988	3,684	540	1,750	38,230
Gaming tax of Italy	0	0	0	0	0	0	-945	-945
Revenue	670	849	370	112	466	30	22	2,511
Inter-segment revenue	-157	0	-2	0	0	0	0	-159
External revenue	9,217	11,775	6,006	7,100	4,150	570	827	39,645
Other external revenue	78	5	0	204	0	0	0	287
Total revenue	9,295	11,780	6,006	7,304	4,150	570	827	39,932
Total expenses	-7,236	-7,468	-4,803	-6,008	-3,954	-506	-840	-30,815
Incl. Depreciation, amortisation and impairment losses	-408	-597	-189	-203	-293	-6	-85	-1,781
Total operating profit (-loss)	2,059	4,312	1,203	1,296	196	64	-13	9,117

Q4 2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	8,751	8,182	5,207	7,292	3,838	859	1,320	35,449
Gaming tax of Italy	0	0	0	0	0	0	-593	-593
Revenue	773	722	417	103	350	61	3	2,429
Inter-segment revenue	-18	-4	0	0	0	0	0	-22
External revenue	9,506	8,900	5,624	7,395	4,188	920	730	37,263
Other external revenue	500	1	1	163	1	0	0	666
Total revenue	10,006	8,901	5,625	7,558	4,189	920	730	37,929
Total expenses	-7,800	-5,146	-4,110	-6,577	-3,958	-619	-1,060	-29,270
Incl. Depreciation, amortisation and impairment losses	-793	-473	-190	-394	-352	-34	-78	-2,314
Total operating profit (-loss)	2,206	3,755	1,515	981	231	301	-330	8,659

2013	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	32,409	36,218	20,258	27,025	14,487	2,234	7,037	139,668
Gaming tax of Italy	0	0	0	0	0	0	-3,747	-3,747
Revenue	3,166	3,049	1,249	386	1,623	144	59	9,676
Inter-segment revenue	-346	0	-4	-3	-1	0	0	-354
External revenue	35,229	39,267	21,503	27,408	16,109	2,378	3,357	145,251
Other external revenue	223	80	28	210	6	22	0	568
Total revenue	35,451	39,347	21,531	27,618	16,115	2,400	3,357	145,819
Total expenses	-27,747	-24,640	-17,865	-23,151	-15,017	-2,352	-3,264	-114,036
Incl. Depreciation, amortisation and impairment losses	-1,562	-2,329	-1,209	-1,061	-1,182	-81	-340	-7,764
Total operating profit	7,704	14,707	3,666	4,467	1,098	48	93	31,783

2012	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	31,466	30,809	18,690	26,792	13,838	3,157	1,320	126,072
Gaming tax of Italy	0	0	0	0	0	0	-593	-593
Revenue	3,267	2,746	1,317	417	1,353	244	3	9,347
Inter-segment revenue	-92	-10	0	-2	-1	0	0	-105
External revenue	34,641	33,545	20,007	27,207	15,190	3,401	730	134,721
Other external revenue	765	135	22	258	1	43	0	1,224
Total revenue	35,406	33,680	20,029	27,465	15,191	3,444	730	135,945
Total expenses	-28,718	-20,458	-16,177	-24,882	-13,869	-2,384	-1,060	-107,548
Incl. Depreciation, amortisation and impairment losses	-2,903	-2,273	-1,390	-2,148	-1,265	-216	-78	-10,273
Total operating profit (-loss)	6,688	13,222	3,852	2,583	1,322	1,060	-330	28,397

Note 9 Transactions with related parties

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

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

<u>Purchase of goods and services</u>	<u>2013</u>	<u>012</u>
Shareholders with significant influence	2	41
Total	2	41

As at 31.12.2013 and 31.12.2012, there were no balances of receivables and liabilities.

In 2013, the members of the Management Board and Supervisory Board of all Group entities were paid remuneration and benefits including social security taxes in the amount of EUR 823 thousand (2012: EUR 793 thousand) and EUR 157 thousand (2012: EUR 157 thousand), respectively.