

Olympic Entertainment Group AS

Consolidated interim financial statements for the Q2 and H1 of 2015 (unaudited)

(translation of the Estonian original)*

Beginning of reporting period	1 January 2015
End of reporting period	30 June 2015
Business name	Olympic Entertainment Group AS
Registration number	10592898
Address	Pronksi 19, Tallinn 10124
Telephone	+372 667 1250
Fax	+372 667 1270
E-mail	info@oc.eu
Website	www.olympic-casino.com
Core activity	Provision of gaming services
Auditor	AS PricewaterhouseCoopers

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

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Corporate profile

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

Olympic Entertainment Group AS is the Group’s ultimate holding company, organising the strategic management and financing of the Group. The operations of local casinos are controlled by local subsidiaries which include Olympic Casino Estonia AS in Estonia, Olympic Casino Latvia SIA in Latvia, Olympic Casino Group Baltija UAB in Lithuania, Casino Polonia-Wroclaw Sp. z o.o. in Poland, Olympic Casino Slovakia S.r.o. and OlyBet Slovakia S.r.o. in Slovakia, Olympic Casino Bel IP in Belarus and Jackpot Game S.r.l. and Slottery S.r.l. in Italy. Most of the Group’s casino properties operate under the trademark of Olympic Casino.

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

As at 30 June 2015, the Group had a total of 96 casinos. The Group operates 20 casinos in Estonia, 37 in Latvia, 17 in Lithuania, 1 in Poland, 7 in Slovakia, 2 in Belarus and 12 in Italy. The Group employed 2,653 employees in 7 countries.

Group entities include:

	Domicile	Ownership 30.06.2015	Ownership 31.12.2014	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%	100%	Hotel real estate development
Nordic Gaming OÜ	Estonia	100%	100%	Holding activities
Fortuna Travel OÜ	Estonia	100%	100%	Hotel operations
Kasiino.ee OÜ	Estonia	100%	100%	Internet solutions
Olympic Casino Latvia SIA	Latvia	99%	99%	Gaming services
Ahti SIA	Latvia	100%	100%	Bar services
Olympic Casino Group Baltija UAB	Lithuania	100%	100%	Gaming services
Mecom Grupp UAB	Lithuania	100%	100%	Bar services
Silber Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Baina Investments Sp. z o.o.	Poland	100%	100%	Holding activities
Casino-Polonia Wroclaw Sp. z o.o.	Poland	80%	80%	Gaming services
Olympic Casino Slovakia S.r.o	Slovakia	100%	100%	Gaming services
OlyBet Slovakia S.r.o.	Slovakia	100%	100%	Gaming services
Olympic F & B S.r.o.	Slovakia	100%	100%	Bar services
Olympic Casino Bel IP	Belarus	100%	100%	Gaming services
The Box S.r.l.	Italy	70%	70%	Gaming services
Jackpot Game S.r.l.	Italy	70%	70%	Gaming services
Slottery S.r.l.	Italy	70%	70%	Gaming services
Siquia Holding B.V.	Holland	95%	95%	Holding activities
Jessy Investments B.V.	Holland	100%	100%	Holding activities
Gametech Services Ltd	Jersey	100%	100%	Software services
Brandhouse Ltd	Jersey	100%	100%	Holding activities
OEG Malta Holding Ltd	Malta	100%	0%	Holding activities
OEG Malta Gaming Ltd	Malta	100%	0%	Holding activities
Olympic Casino Ukraine TOV	Ukraine	100%	100%	Bankrupt
Alea Private Company	Ukraine	100%	100%	Bankrupt

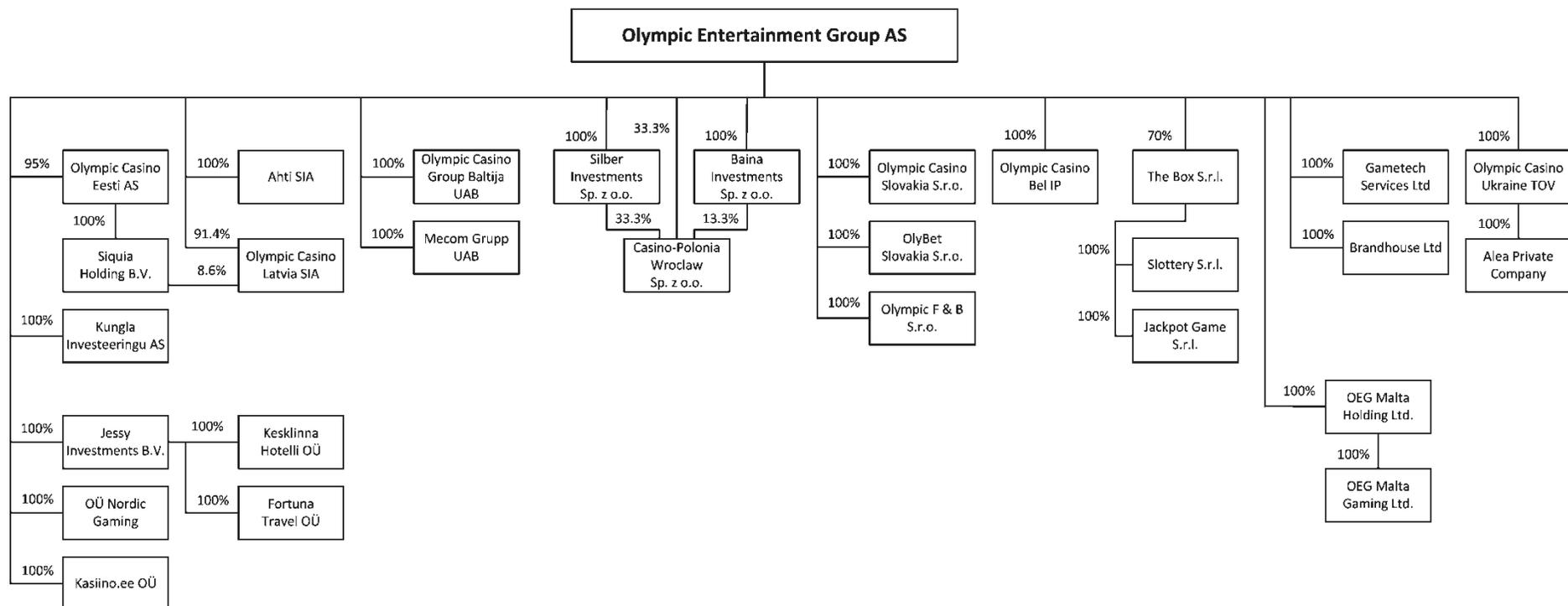
Our vision

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

Our mission

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

Group's structure at 30 June 2015



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

28 July 2015

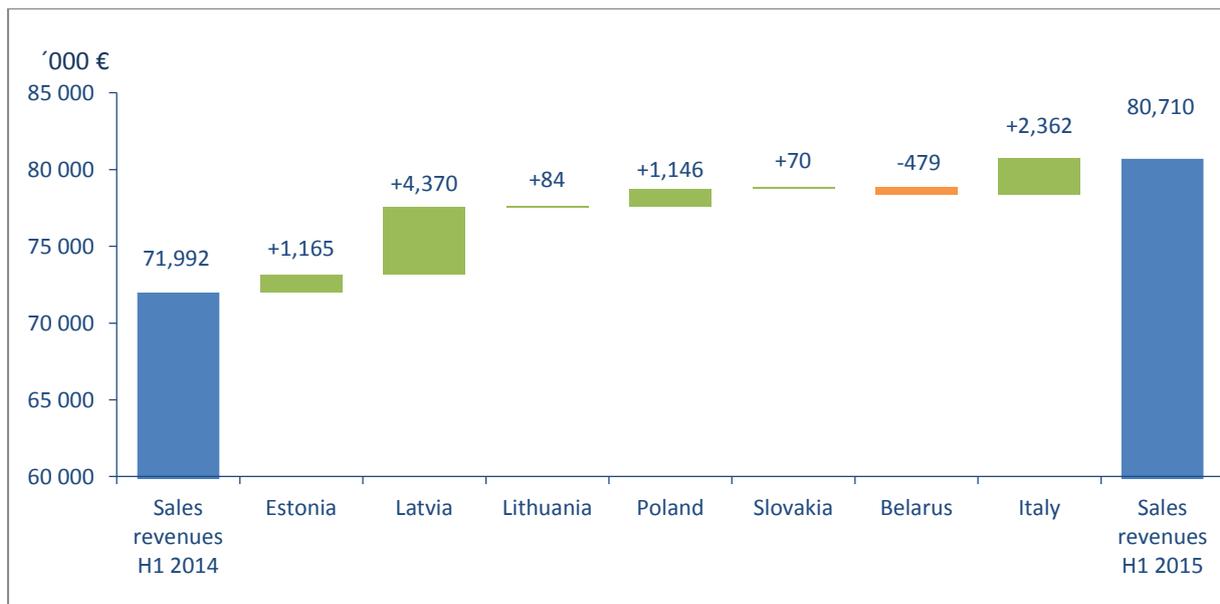
Management report

Overview of the economic activities

Key developments of the Group during the first half-year of 2015:

- The Group's consolidated sales revenues for H1 2015 amounted to EUR 80.7 million, up 12.1% or EUR 8.7 million y-o-y.
- Gaming revenues accounted for 94.0% (75.9 m€) and other revenues for 6.0% (4.8 m€) of the Group's consolidated sales revenues for H1 2015. A year before the revenue split was 94.0% (67.7 m€) and 6.0% (4.3 m€), respectively.
- The Group's consolidated EBITDA for H1 2015 amounted to EUR 18.4 million, a growth of 10.3% from EUR 16.7 million a year before. The Group's consolidated operating profit increased EUR 1.9 million (+14.5%) to EUR 14.5 million.
- The Group's consolidated net profit attributable to equity holders of the parent company for H1 2015 totalled EUR 11.8 million compared to EUR 10.3 million a year ago.
- Group company Olympic Casino Eesti AS has acquired on 4 March 2015 business activities of two operating casinos from the Estonian casino operator Casino Cleopatra OÜ that increases the number of casinos Group owns in Estonia to 20.
- On 14 January 2015 Olympic Entertainment Group AS has established subsidiaries OEG Malta Holding Ltd and OEG Malta Gaming Ltd in Malta. OEG Malta subsidiary has concluded an agreement for providing casino management services and related service to Maltese company Casino Malta Limited and associated companies.
- The general meeting of shareholders held on 16 April 2015 has decided to pay out dividends in amount of EUR 15,179,120.60, that were paid out to shareholders on 4 May 2015.

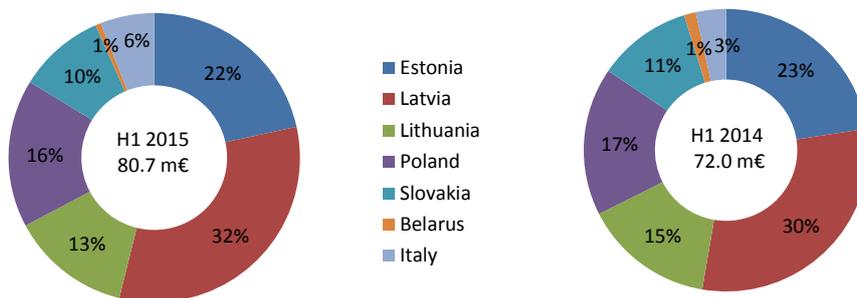
The Group's consolidated sales revenue bridge by segments:



The Group's consolidated sales revenues by segments:

'000€	Q2 2015	Q2 2014	Change	H1 2015	H1 2014	Change
Estonia	9,068	8,459	7.2%	17,412	16,247	7.2%
Latvia	13,959	11,267	23.9%	26,052	21,682	20.2%
Lithuania	4,923	5,206	-5.4%	10,789	10,705	0.8%
Poland	6,843	5,975	14.5%	13,339	12,193	9.4%
Slovakia	4,076	4,111	-0.9%	7,806	7,736	0.9%
Belarus	203	494	-58.9%	487	966	-49.6%
Italy	2,525	1,673	50.9%	4,825	2,463	95.9%
Total	41,597	37,185	11.9%	80,710	71,992	12.1%

Share of segments in the Group's sales revenues:



At the end of H1 2015, the Group had 96 casinos with total floor area of 30,263 m² (-797 m²).

Number of casinos by segment:

	30 June 2015	30 June 2014
Estonia	20	18
Latvia	37	38
Lithuania	17	12
Poland	1	2
Slovakia	7	6
Belarus	2	6
Italy	12	11
Total	96	93

The Group's consolidated operating expenses for H1 2015 amounted to EUR 66.5 million, up 11.6% or EUR 6.9 million y-o-y. The growth was highest in personnel expenses (+2.9 m€, +15.0%), gaming tax (+1.2 m€, +8.3%), rent expenses (+0.4 m€, +6.6%) and other services costs (+1.6 m€, +19.0%). Amortisation and depreciation cost declined the most (-0.1 m€, -3.1%). Personnel expenses (22.2 m€) and gaming tax (15.5 m€) represented the largest cost items accounting for 56.6% of total operating expenses.



Key performance indicators of the Group

		H1 2015	H1 2014	H1 2013
Revenues	m€	81.0	72.2	67.4
Gaming tax	m€	15.5	14.3	14.0
EBITDA	m€	18.4	16.7	16.7
EBIT	m€	14.5	12.6	12.5
Net profit	m€	11.8	10.3	9.7
EBITDA margin	%	22.7	23.1	24.7
Operating margin	%	17.9	17.5	18.5
Net margin	%	14.6	14.3	14.3
Assets	m€	125.0	115.4	101.0
Equity	m€	106.8	97.8	84.7
ROE	%	12.2	10.8	11.5
ROA	%	9.8	8.8	9.2
Current ratio	times	2.2	2.3	2.4
Casinos at end of period	#	96	93	83
Casino floor area at end of period	m ²	30,263	31,060	26,235
Employees	#	2,653	2,593	2,561
Slot machines at end of period	#	3,367	3,337	3,056
Gaming tables at end of period	#	185	192	189

Underlying formulas:

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

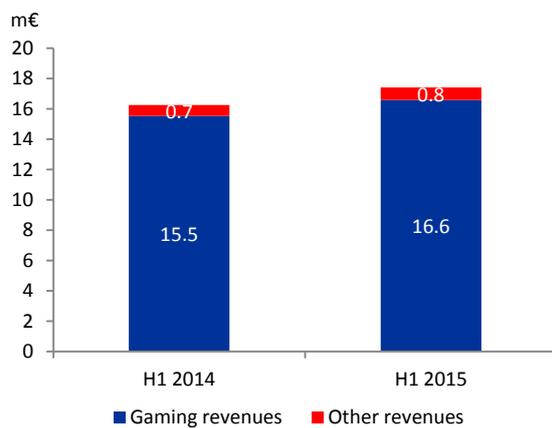
Overview by markets

Estonia

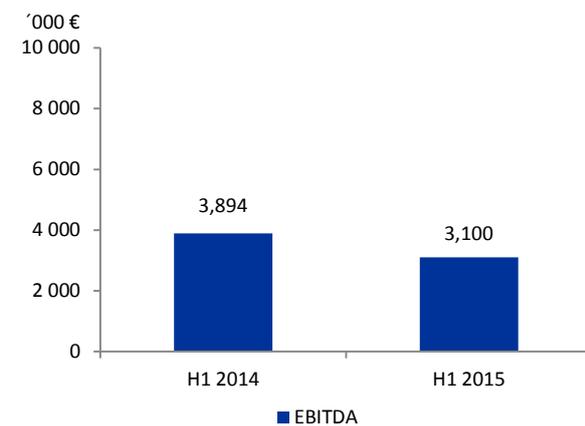
The sales revenues of Estonian segment for H1 2015 amounted to EUR 17.4 million (+1.2 m€, +7.2%), EBITDA to EUR 3.1 million (-0.8 m€, -20.4%) and operating profit to EUR 2.2 million (-0.8 m€, -26.0%). Gaming revenue increased 6.7% y-o-y amounting to EUR 16.6 million.

At the end of H1 2015, there were 20 Olympic casinos with 817 slot machines and 20 gaming tables operating in Estonia. As at 30 June 2015, the Estonian operations employed 518 people.

Sales revenues



EBITDA

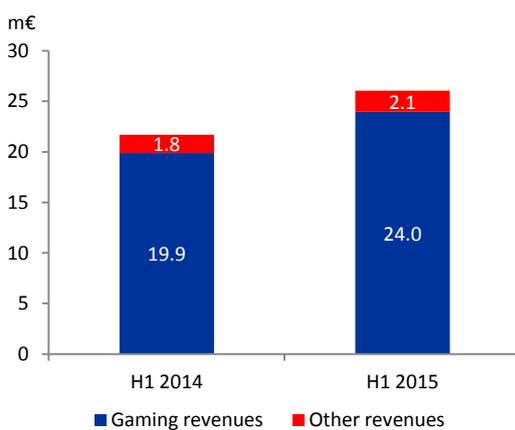


Latvia

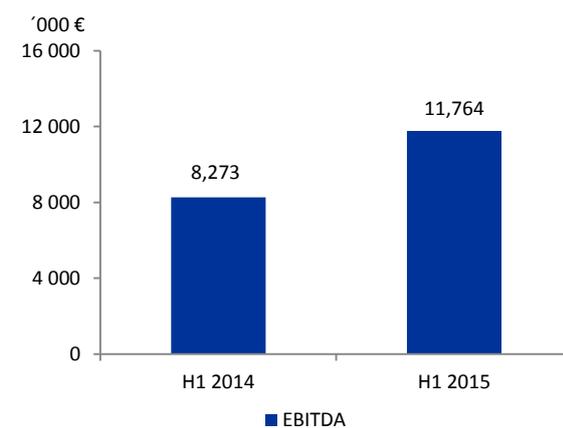
The sales revenues of Latvian segment for H1 2015 amounted to EUR 26.1 million (+4.4 m€, +20.2%), EBITDA to EUR 11.8 million (+3.5 m€, +42.2%) and operating profit to EUR 10.3 million (+3.6 m€, +52.5%). Gaming revenue increased 20.5% y-o-y amounting to EUR 24.0 million.

At the end of H1 2015, there were 37 Olympic casinos with 1,057 slot machines and 19 gaming tables operating in Latvia. As at 30 June 2015, the Latvian operations employed 684 people.

Sales revenues



EBITDA

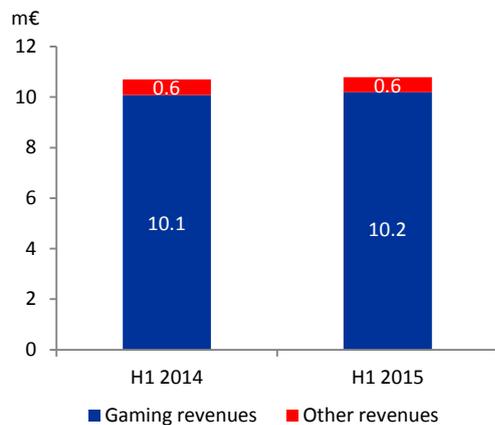


Lithuania

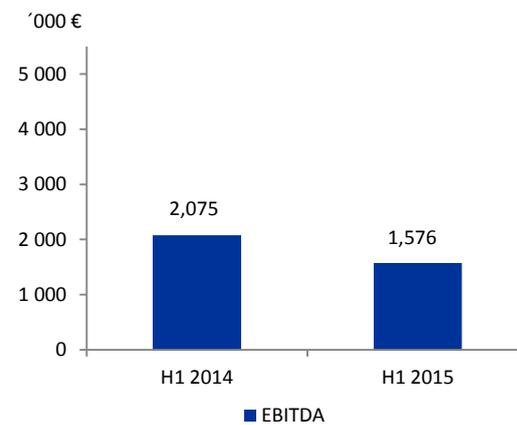
The sales revenues of Lithuanian segment for H1 2015 amounted to EUR 10.8 million (+0.1 m€, +0.8%), EBITDA to EUR 1.6 million (-0.5 m€, -24.1%) and operating profit to EUR 1.1 million (-0.5 m€, -32.6%). Gaming revenue increased 1.1% y-o-y amounting to EUR 10.2 million.

At the end of H1 2015, there were 17 Olympic casinos with 537 slot machines and 64 gaming tables operating in Lithuania. As at 30 June 2015, the Lithuanian operations employed 735 people.

Sales revenues



EBITDA

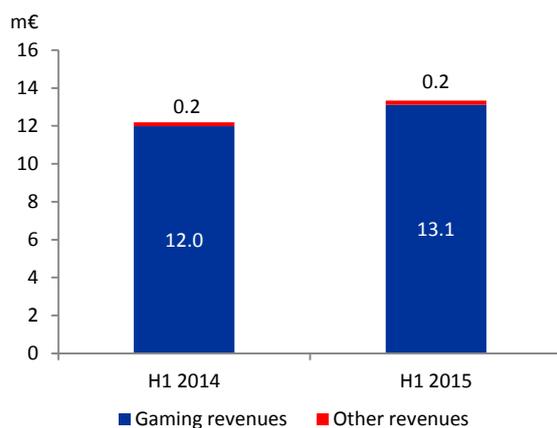


Poland

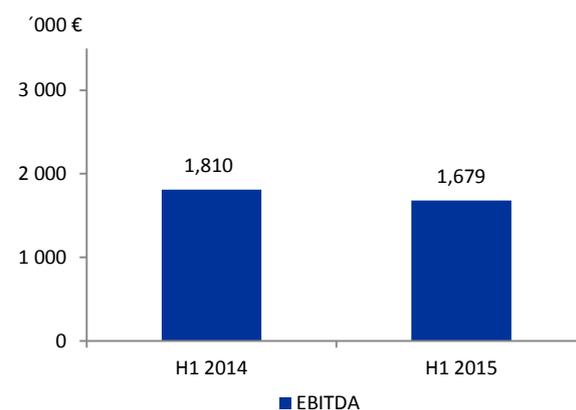
The sales revenues of Polish segment for H1 2015 amounted to EUR 13.3 million (+1.1 m€, +9.4%), EBITDA to EUR 1.7 million (-0.1 m€, -7.2%) and operating profit to EUR 1.3 million (-0.1 m€, -8.4%). Gaming revenue increased 9.4% y-o-y amounting to EUR 13.1 million.

At the end H1 2015, there was 1 Olympic casino with 145 slot machines and 29 gaming tables operating in Poland. As at 30 June 2015, the Polish operations employed 276 people.

Sales revenues



EBITDA

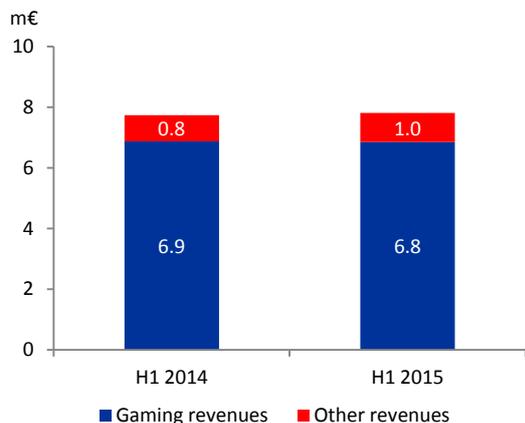


Slovakia

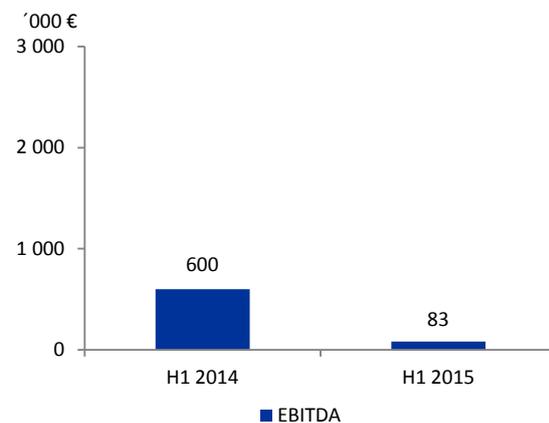
The sales revenues of Slovak segment for H1 2015 amounted to EUR 7.8 million (+0.1 m€, +0.9%), EBITDA to EUR 0.1 million (-0.5 m€, -86.2%) and operating loss to EUR -0.4 million (-0.5 m€, -1,218.7%). Gaming revenue decreased 0.4% y-o-y amounting to EUR 6.8 million.

At the end of H1 2015, there were 7 Olympic casinos with 297 slot machines and 53 gaming tables operating in Slovakia. As at 30 June 2015, the Slovak operations employed 328 people.

Sales revenues



EBITDA

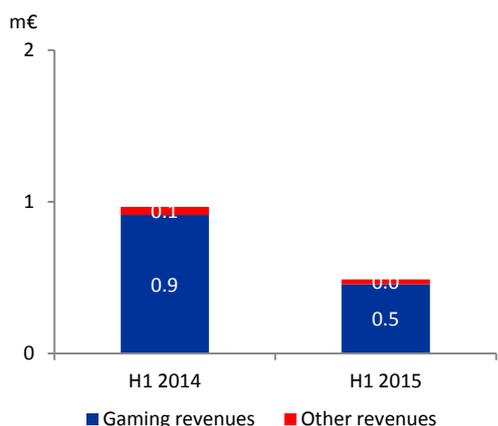


Belarus

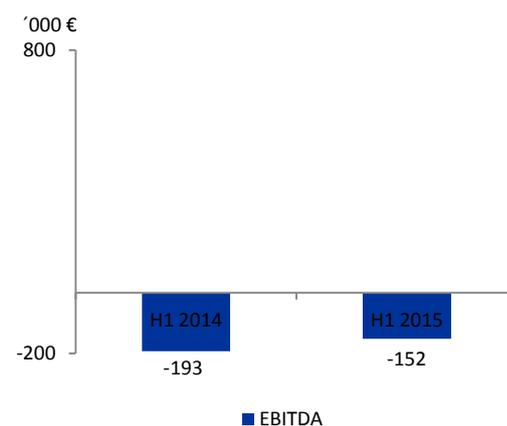
The sales revenues of Belarusian segment for H1 2015 amounted to EUR 0.5 million (-0.5 m€, -49.5%), EBITDA to EUR -0.2 million (+0.0 m€, -21.0%) and operating loss to EUR -0.2 million (+0.1 m€, -28.0%). Gaming revenue decreased 49.9% y-o-y amounting to EUR 0.5 million.

At the end of H1 2015, there were 2 Olympic casinos with 76 slot machines operating in Belarus. As at 30 June 2015, the Belarusian operations employed 54 people.

Sales revenues



EBITDA

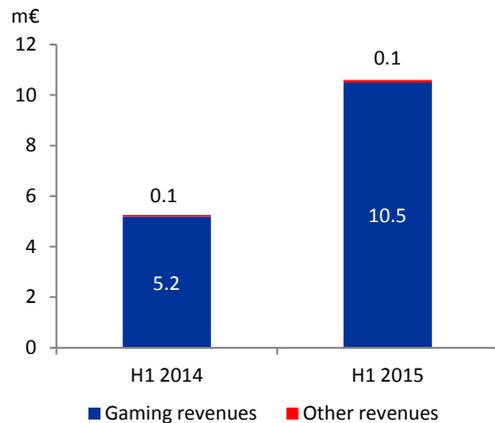


Italy

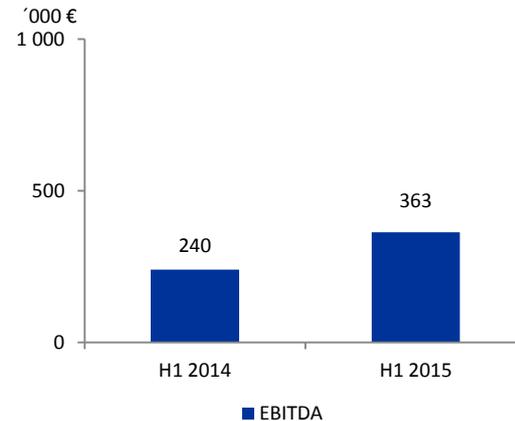
The sales revenues of Italian segment before deducting the gaming tax of Italy for H1 2015 amounted to EUR 10.6 million (+5.4 m€, +202.1%), EBITDA to EUR 0.4 million (+0.1 m€, +51.1%) and operating profit to EUR 0.2 million (+0.1 m€, +153.6%).

At the end of H1 2015, there were 12 VLT slot casinos with 438 slot machines operating in Italy. As at 30 June 2015, the Italian operations employed 58 people.

Sales revenues



EBITDA



Financial position

As at 30 June 2015, the total assets of the Group amounted to EUR 125.0 million, up 8.4% or EUR 9.7 million compared to the same period a year ago.

Current assets totalled EUR 37.1 million or 29.7% of total assets, and non-current assets EUR 87.9 million or 70.3% of total assets. The liabilities amounted to EUR 18.2 million and equity to EUR 106.8 million. The largest liabilities included suppliers payables and advances (5.3 m€), tax liabilities (4.6 m€) and payables to employees (4.3 m€).

Investments

In H1 2015, the Group's expenditures on property, plant and equipment totalled EUR 11.9 million (+2.5 m€, +25.9%), of which EUR 2.9 million was invested into new gaming equipment (-1.3 m€, -30.2%) and EUR 8.8 million (+3.9 m€, +80.3%) into construction of hotel and construction and reconstruction of casinos.

Cash flows

In H1 2015, the Group's cash flows generated from operating activities amounted to EUR 16.8 million (+3.6 m€, +27.5%) and cash flows used in investing activities to EUR -9.7 million (+3.9 m€). Financing cash flows amounted to EUR -15.4 million (-1.2 m€). Net cash flows totalled EUR -8.2 million (+6.3 m€).

Staff

As at 30 June 2015, the Group employed 2,653 people, up by 60 y-o-y mostly due to expansion in Italy and Lithuania.

In H1 2015, total personnel expenses amounted to EUR 22.2 million (+2.9 m€, +15.0%). In H1 2015, 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 434 thousand (EUR 449 thousand in H1 2014) and EUR 74 thousand (EUR 77 thousand in H1 2014), 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, Polish zloty, Belarusian rubles and until 31.12.2014 in Lithuanian litas. 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) and the Swiss franc (CHF).

Credit risk

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

Management and Supervisory Boards

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



Madis Jääger – Chairman of the Management Board and CEO since 2012 (member of the Management Board since 2010). Madis Jääger graduated from Estonian Business School in 2002 with a degree in International Business Administration major in accounting and banking *cum laude*. Madis Jääger owns directly and through the companies controlled by him a total of 75,000 Company's shares.



Meelis Pielberg – member of the Management Board and head of casino operations since 2012. Meelis Pielberg graduated from Estonian Maritime Academy in 2000. Meelis Pielberg owns directly and through the companies controlled by him a total of 50,000 Company's shares.

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

- Armin Karu – Chairman of the Supervisory Board since 2008. Armin Karu is the founder of the Company. He graduated from Haaga Institute in Finland (International Management Diploma 1998; MBA 2005). Armin Karu owns directly and through the companies controlled by him a total of 68,364,790 Company's shares.
- Jaan Korpusov – member of the Supervisory Board since 2006. Jaan Korpusov graduated from University of Tartu in 1985 the faculty of history. Jaan Korpusov owns directly and through the companies controlled by him a total of 28,761,910 Company's shares.
- Liina Linsi – member of the Supervisory Board since 2006. Liina Linsi graduated from University of Tartu (law) in 1984 *cum laude*. Liina Linsi owns directly and through the companies controlled by her a total of 26,000 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 60,716,482.40. The share capital is divided into 151,971,206 ordinary shares with the book value of EUR 0.40 each.

ISIN	EE3100084021
Ticker symbol	OEG1T
Market	BALTIC MAIN LIST
Number of securities issued	151,791,206
Number of listed securities	151,791,206
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 2011 – 30 June 2015:



Comparison of the share of Olympic Entertainment Group AS with indices during the period of 01 January 2011 – 30 June 2015:

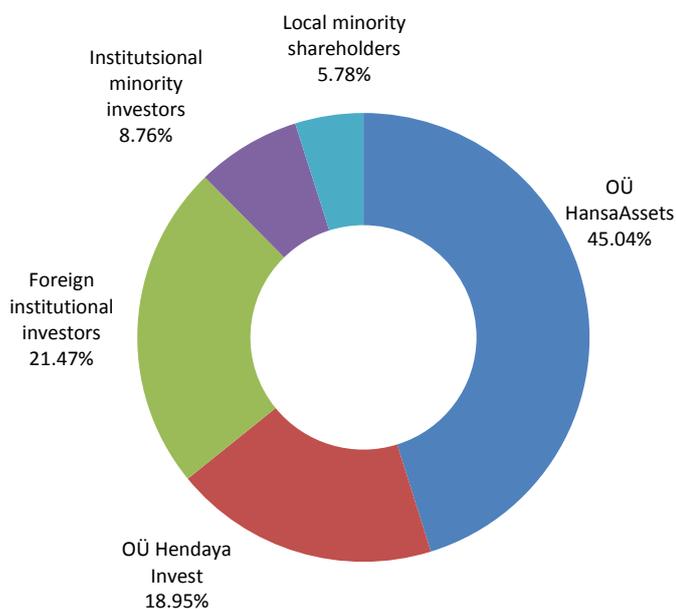


Index/share	01 Jan 2011	30 June 2015	+/-%
— OMX Baltic Benchmark GI	533.99	625.19	17.08
— OMX Tallinn	698.38	844.70	20.95
— OEG1T	1.485 EUR	1.850 EUR	24.58

Largest shareholders of Olympic Entertainment Group AS at 30 June 2015:

OÜ HANSAASSETS	45.04%
OÜ Hendaya Invest	18.95%
J.P. MORGAN BANK LUXEMBOURG S.A.	4.71%
NORDEA BANK FINLAND PLC, CLIENTS	2.32%
SKANDINAVISKA ENSKILDA BANKEN S.A.	2.15%
RBC INVESTOR SERVICES BANK / LUX-NON RESIDENTS / DOMESTIC RATE	1.49%
ING LUXEMBOURG S.A. AIF ACCOUNT	1.46%
STATE STREET BANK AND TRUST OMNIBUS ACCOUNT A FUND NO OM01	1.35%
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION ON BEHALF OF US RESIDENTS	1.27%
Central Securities Depository of Lithuania	1.12%

Structure of Olympic Entertainment Group AS shareholders as at 30 June 2015



Consolidated interim financial statements

Consolidated statement of financial position

	Notes	30.06.2015	31.12.2014
ASSETS			
Current assets			
Cash and cash equivalents		31,890	40,117
Financial investments		1,048	1,108
Receivables and prepayments		2,775	3,276
Prepaid income tax		235	483
Inventories		1,165	1,163
Assets held for sale		0	1,016
Total current assets		37,113	47,163
Non-current assets			
Deferred tax assets		1,457	1,398
Financial investments		4,476	4,277
Other long-term receivables		742	688
Investment property	3	268	292
Property, plant and equipment	4	42,376	34,368
Intangible assets	5	38,612	38,045
Total non-current assets		87,931	79,068
TOTAL ASSETS		125,044	126,231
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	6	192	253
Trade and other payables		14,691	13,121
Income tax payable		411	741
Provisions		1,441	1,424
Total current liabilities		16,735	15,539
Non-current liabilities			
Borrowings		1,178	1,216
Deferred tax liability	6	330	272
Total non-current liabilities		1,508	1,488
TOTAL LIABILITIES		18,243	17,027
EQUITY			
Share capital		60,716	60,716
Share premium		258	258
Statutory reserve capital		3,574	2,495
Other reserves		165	0
Translation reserves		-1,173	-1,420
Retained earnings		37,360	41,816
Total equity attributable to equity holders of the parent		100,900	103,865
Non-controlling interest		5,901	5,339
TOTAL EQUITY		106,801	109,204
TOTAL LIABILITIES AND EQUITY		125,044	126,231

Consolidated statement of comprehensive income

	Notes	Q2 2015	Q2 2014	H1 2015	H1 2014
Income from gaming transactions	8	39,165	34,977	75,888	67,696
Revenue	8	2,432	2,208	4,822	4,296
Other income	8	190	149	275	251
Total revenue and income		41,787	37,334	80,985	72,243
Cost of materials, goods and services		-884	-794	-1,776	-1,517
Other operating expenses		-19,850	-17,926	-38,421	-34,453
Staff costs		-11,409	-9,796	-22,189	-19,290
Depreciation, amortisation and impairment	4;5	-2,095	-2,095	-3,931	-4,055
Other expenses		-57	-153	-186	-284
Total operating expenses		-34,295	-30,764	-66,503	-59,599
Operating profit		7,492	6,570	14,482	12,644
Interest income		15	11	31	41
Interest expense		-7	-7	-14	-10
Foreign exchange losses		15	-4	15	-6
Other finance income and costs		-2	0	-4	-1
Total finance income and costs		21	0	28	24
Profit from operating activities		7,513	6,570	14,510	12,668
Income tax expense		-969	-811	-2,148	-1,773
Net profit for the period		6,544	5,759	12,362	10,895
<i>Attributable to equity holders of the parent company</i>		<i>6,330</i>	<i>5,423</i>	<i>11,800</i>	<i>10,304</i>
<i>Attributable to non-controlling interest</i>		<i>214</i>	<i>336</i>	<i>562</i>	<i>591</i>
Other comprehensive income					
Currency translation differences		-274	-21	247	84
Total comprehensive profit for the period		6,270	5,738	12,609	10,979
<i>Attributable to equity holders of the parent company</i>		<i>6,056</i>	<i>5,402</i>	<i>12,047</i>	<i>10,388</i>
<i>Attributable to non-controlling interest</i>		<i>214</i>	<i>336</i>	<i>562</i>	<i>591</i>
Basic earnings per share*	7	4.2	3.6	7.8	6.8
Diluted earnings per share*	7	4.2	3.6	7.8	6.8

* euro cents

Consolidated statement of cash flows

	Notes	H1 2015	H1 2014
Cash flows from operating activities			
Net profit		12,362	10,895
Adjustments:			
Depreciation, amortisation and impairment	4;5	3,931	4,055
Profit / loss on disposal of non-current assets (net)		-136	65
Income tax expense		2,148	1,773
Other financial income and expenses (net)		-28	-24
Changes in working capital:			
Receivables and prepayments		265	-1,108
Inventories		-2	-88
Liabilities and prepayments		505	-104
Interest paid		-3	-6
Corporate income tax paid		-2,212	-2,260
Net cash generated from operating activities		16,830	13,198
Cash flows from investing activities			
Acquisition of property, plant, equipment and intangible assets		-10,210	-8,871
Proceeds from sale of property, plant, equipment		248	29
Proceeds from sale of investment property		24	0
Proceeds from disposal of assets held for sale		1,016	0
Purchase of financial investments		-75	-112
Acquisition of subsidiaries, net of cash acquired		0	-4,677
Acquisition of business activity		-750	0
Interest received		62	33
Net cash used in from investing activities		-9,685	-13,598
Cash flows from financing activities			
Proceeds from loans received		0	1,078
Repayments of loans received	6	-126	-122
Repayments of finance leases		0	-1
Dividends paid		-15,268	-15,133
Net cash used in financing activities		-15,394	-14,178
Net cash flows			
		-8,249	-14,578
Cash and cash equivalents at beginning of the period		40,117	44,582
Exchange gains and losses on cash and cash equivalents		22	9
Cash and cash equivalents at end of the period		31,890	30,013

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 01.01.2014	60,532	0	1,210	235	-1,204	36,782	97,555	4,416	101,971
<i>Net profit for the period</i>	0	0	0	0	0	10,304	10,304	591	10,895
<i>Other comprehensive expense</i>	0	0	0	0	84	0	84	0	84
Total comprehensive income for the period	0	0	0	0	84	10,304	10,388	591	10,979
<i>Increase of statutory reserve capital</i>	0	0	1,285	0	0	-1,285	0	0	0
<i>Dividends paid</i>	0	0	0	0	0	-15,133	-15,133	0	-15,133
<i>Employee option programme</i>	0	0	0	23	0	0	23	0	23
Total transactions with owners	0	0	1,285	23	0	-16,418	-15,110	0	-15,110
Acquired through business combinations	0	0	0	0	0	0	0	127	127
Other adjustments	0	0	0	0	0	-146	-146	-36	-182
Balance at 30.06.2014	60,532	0	2,495	258	-1,120	30,522	92,687	5,098	97,785
Balance at 01.01.2015	60,716	258	2,495	0	-1,420	41,816	103,865	5,339	109,204
<i>Net profit for the period</i>	0	0	0	0	0	11,800	11,800	562	12,362
<i>Other comprehensive income</i>	0	0	0	0	247	0	247	0	247
Total comprehensive income for the period	0	0	0	0	247	11,800	12,047	562	12,609
<i>Increase of statutory reserve capital</i>	0	0	1,079	0	0	-1,079	0	0	0
<i>Dividends paid</i>	0	0	0	0	0	-15,179	-15,179	0	-15,179
<i>Employee option programme</i>	0	0	0	165	0	0	165	0	165
Total transactions with owners	0	0	1,079	165	0	-16,258	-15,014	0	-15,014
Other adjustments	0	0	0	0	0	2	2	0	2
Balance at 30.06.2015	60,716	258	3,574	165	-1,173	37,360	100,900	5,901	106,801

Notes to the consolidated interim financial statements

Note 1 Summary of significant accounting policies

Olympic Entertainment Group AS (hereinafter the "Company") is a company registered in Estonia at 15 November 1999. The consolidated interim financial statements of the Company prepared for the reporting period ended 30 June 2015 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 28 July 2015.

The audited consolidated financial statements of the Group as of and for the year ended 31 December 2014 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 2014.

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 2014.

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 2014, 48% of the income from gaming transactions accumulated in the first half of the year, with 52% accumulating in the second half.

Note 3 Investment property

	Land	Buildings	Total
As at 01 January 2015	172	120	292
Sales	-24	0	-24
As at 30 June 2015	148	120	268

Note 4 Property, plant and equipment

	Land and buildings	Renovation expenditures	Machinery & equipment	Other PP&E	Construction in progress	Total
As at 01 January 2015	24	8,974	15,996	1,763	7,611	34,368
Additions	0	971	2,914	256	7,795	11,936
Disposals	0	0	-89	0	0	-89
Write-offs	0	-79	-25	-22	0	-126
Reclassifications	0	1,096	349	160	-1,827	-222
Depreciation charge	-3	-1,341	-1,749	-435	0	-3,528
Exchange differences	1	7	31	0	-2	37
As at 30 June 2015	22	9,628	17,427	1,722	13,577	42,376

Note 5 Intangible assets

	Goodwill	Software and licences	Total
As at 01 January 2015	36,847	1,198	38,045
Additions	0	482	482
Reclassifications	0	222	222
Amortisation charge	0	-277	-277
Exchange differences	138	2	140
As at 30 June 2015	36,985	1,627	38,612

Note 6 Borrowings

	<u>30.06.2015</u>	<u>31.12.2014</u>
Short-term borrowings		
Current portion of a long-term bank loan	192	253
Total short-term borrowings	192	253
Long-term borrowings		
Non-current portion of a long-term bank loan	0	65
Non-current portion of a long-term loan	1,078	1,078
Other borrowings	100	73
Total long-term borrowings	1,178	1,216
Total borrowings	1,370	1,469

The Group have concluded the loan agreement with the due date of 31 March 2016. The annual interest rate is 3 month Euribor + 2.0%. The Group has received a loan from minority interest with the due date of 31 December 2017. The annual interest rate is 6 months Euribor + 2.0%.

Note 7 Equity

The General Meeting of Shareholders held at 16 April 2015 decided to pay dividends to the shareholders of 0.10 euros per share in the total amount of 15,179,120.60 euros. Dividends were paid out to the shareholders on 4 May 2015.

Earnings per share

	<u>Q2 2015</u>	<u>Q2 2014</u>	<u>H1 2015</u>	<u>H1 2014</u>
Net profit for the period	6,330	5,423	11,800	10,304
Weighted average number of shares outstanding (in thousands)	151,791	151,329	151,791	151,329
Basic earnings per share (euro cents)	4.2	3.6	7.8	6.8
Diluted earnings per share (euro cents)	4.2	3.6	7.8	6.8

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.

At 31 December 2014 share option agreements were concluded with Olympic Entertainment Group AS management board members and Group's key employees. According to concluded share option agreement management board member is eligible to subscribe to 100,000 Olympic Entertainment Group AS shares till the end of share option program; number of shares that can be subscribed by Group's key employees is individual. Exact number of shares that can be subscribed by each member of management board and key employee depends on fulfilment of Group's financial objectives and objectives connected with specific areas of responsibilities of each member of management board and key employee. The price for exercising the share option will be the nominal value of the share or the calculated value per one share. Options are conditional based on the 3-year employment relationship at the time of options realisation. Option holder has a right to subscribe for shares starting from 1 January 2018. Share option program ends 28 February 2018.

Note 8 Segment reporting

The Group's segments have been determined on the basis of reports monitored and analysed by the parent company's Management Board. Financial results are monitored by geographical regions. The results of operating segments are evaluated on the basis on external sales revenue and operating profit. At 30 June 2015, 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.

Q2 2015	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	8,647	12,872	4,611	6,737	3,634	191	5,453	42,145
Gaming tax of Italy	0	0	0	0	0	0	-2,980	-2,980
Revenue	557	1,087	312	122	442	12	52	2,584
Inter-segment revenue	-136	0	0	-16	0	0	0	-152
External revenue	9,068	13,959	4,923	6,843	4,076	203	2,525	41,597
Other external revenue	16	28	1	2	12	88	43	190
Total revenue	9,084	13,987	4,924	6,845	4,088	291	2,568	41,787
Total expenses	-8,089	-8,150	-4,852	-6,239	-4,228	-272	-2,465	-34,295
Incl. Depreciation, amortisation and impairment losses	-485	-732	-274	-232	-261	0	-111	-2,095
Total operating profit (-loss)	995	5,837	72	606	-140	19	103	7,492
Q2 2014	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	8,077	10,331	4,906	5,882	3,682	467	3,565	36,910
Gaming tax of Italy	0	0	0	0	0	0	-1,933	-1,933
Revenue	480	936	300	93	429	27	41	2,306
Inter-segment revenue	-98	0	0	0	0	0	0	-98
External revenue	8,459	11,267	5,206	5,975	4,111	494	1,673	37,185
Other external revenue	3	30	0	0	71	45	0	149
Total revenue	8,462	11,297	5,206	5,975	4,182	539	1,673	37,334
Total expenses	-6,835	-7,648	-4,530	-5,297	-4,098	-681	-1,675	-30,764
Incl. Depreciation, amortisation and impairment losses	-478	-803	-252	-173	-282	-12	-95	-2,095
Total operating profit (-loss)	1,627	3,649	676	678	84	-142	-2	6,570
H1 2015	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	16,583	23,959	10,191	13,125	6,849	457	10,501	81,665
Gaming tax of Italy	0	0	0	0	0	0	-5,777	-5,777
Revenue	1,055	2,093	598	230	957	30	101	5,064
Inter-segment revenue	-226	0	0	-16	0	0	0	-242
External revenue	17,412	26,052	10,789	13,339	7,806	487	4,825	80,710
Other external revenue	19	34	1	6	14	145	56	275
Total revenue	17,431	26,086	10,790	13,345	7,820	632	4,881	80,985
Total expenses	-15,244	-15,748	-9,736	-12,012	-8,252	-786	-4,725	-66,503
Incl. Depreciation, amortisation and impairment losses	-914	-1,426	-522	-346	-514	0	-209	-3,931
Total operating profit (-loss)	2,187	10,338	1,054	1,333	-432	-154	156	14,482
H1 2014	Estonia	Latvia	Lithuania	Poland	Slovakia	Belarus	Italy	Total
Income from gaming transactions	15,537	19,885	10,079	11,998	6,875	913	5,193	70,480
Gaming tax of Italy	0	0	0	0	0	0	-2,784	-2,784
Revenue	863	1,798	626	197	861	53	54	4,452
Inter-segment revenue	-153	-1	0	-2	0	0	0	-156
External revenue	16,247	21,682	10,705	12,193	7,736	966	2,463	71,992
Other external revenue	5	32	1	0	168	45	0	251
Total revenue	16,252	21,714	10,706	12,193	7,904	1,011	2,463	72,243
Total expenses	-13,296	-14,933	-9,140	-10,738	-7,867	-1,223	-2,402	-59,599
Incl. Depreciation, amortisation and impairment losses	-938	-1,492	-511	-354	-561	-19	-180	-4,055
Total operating profit (-loss)	2,956	6,781	1,566	1,455	37	-212	61	12,644

Note 9 Transactions with related parties

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

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

<u>Purchase of goods and services</u>	<u>H1 2015</u>	<u>H1 2014</u>
Shareholders with significant influence	1	1
Total	1	1

As at 30.06.2015 and 31.12.2014, there were no balances of receivables and liabilities.

In H1 2015, 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 434 thousand (H1 2014: EUR 449 thousand) and EUR 74 thousand (H1 2014: EUR 77 thousand), respectively.