28 August 2014

Queenco Leisure International Ltd.
(The "Company" or “QLI”, and together with its subsidiaries, associated companies and joint ventures, the "Group"),

Financial Results for the 6 months ended 30 June 2014

Queenco Leisure International Ltd., the emerging markets developer and operator of casinos and entertainment centers, is pleased to report its financial results for the 6 months ended 30 June 2014.

Operating and Business Highlights

- The Group's activities are adversely affected by the global economic crisis in general and the economic crisis in Greece in particular, and by various disagreements with other shareholders of its subsidiaries and associated companies (as further detailed in our annual report for the year ended December 31, 2013), which lately have been settled (For more details please see note 1.2 to the attached financial statements). As a result, the Company was not able to meet its original repayment schedules of loans and credits received from (Y.Z.) Queenco Ltd. (the Company's parent corporation, "Y.Z.") and from a previous shareholder in one of the Company's subsidiaries. So far, the Company has succeeded in reaching understandings with Y.Z and the abovementioned previous shareholder regarding a rescheduling of the repayment schedules such that they will coincide with the Company's payment abilities (for more information please see note 1.2 in the attached financial statements). As of 30 June 2014, the Company's outstanding obligations to the previous shareholder and Y.Z. amounted to €0.5 million and €2.4 million, respectively. Company's management is of the opinion that the Company will succeed in the future, if needed, in rescheduling the repayment schedules of loans Y.Z. and the previous shareholder. However, the current payment schedule of the loans from Y.Z. is in line with the repayment schedule of Y.Z. of debentures issued by it. Accordingly, the ability of the Company to re-schedule the payment terms of the loans from Y.Z. is dependent on the ability of Y.Z. to obtain other alternative financing sources to repay its debentures obligations. The Group is continuing in the implementation of its cost savings plans and is in the process of expanding their scope, mainly in Rhodes, due to the decrease in revenues caused by the economic crisis; and is seeking to increase visitors' arrival to the Island through a newly formed subsidiary which engages in the marketing and operation of flights from Israel to Rhodes and in the management of a customers' club. The Group is also in a process of realization of excess assets. The Company's ability to meet all its obligations in the foreseeable future is highly dependent on the Company's ability to successfully execute such plans. The aforesaid raise substantial doubt about the Company's ability to continue as a going concern. For a more detailed description of our financial condition, see Note 1.2 to the attached financial statements.
- On 12 June 2014 the Company entered into several share purchase agreements with non-affiliated investors (the "Investors"), pursuant to which the Company issued to the Investors a total of 29,415,530 shares of the Company (of which 21,723,091 shares were issued prior to 30 June 2014 in consideration of € 0.6 million and the balance after that date) (the "Issued Shares") for a total consideration of NIS 4 million (approximately € 0.85 million) representing a price per share of NIS 0.136 (equal to approximately € 0.029). The Issued Shares constitute approximately 2.61% of the Company's share capital after the issuance. These share issuances reflect a Company's pre-money valuation of NIS 150 million (approximately € 32 million). For more details, see note 1.1 to the attached financial statements.
- On 23 June ,2014 the general meeting of shareholders of the Company resolved to effect a capital reorganization in order to reduce the par value per share of the Company's registered and issued share capital, so that each ordinary share of the Company of par value NIS 1 shall be divided into 100 ordinary shares of the Company of NIS 0.01 par value each; and out of each 100 ordinary shares of the Company of NIS 0.01 par value each existing after the aforesaid subdivision in the issued and outstanding share capital of the Company, 99 ordinary shares of the Company of NIS 0.01 par value each shall be cancelled; and the consideration paid for the par value of these cancelled shares shall be recorded in the Company's books as a capital reserve to be deemed for all intents and purposes as a premium paid for the shares remaining in the issued share capital of the Company (the "Special Capital Reserve"); and the Company shall be prohibited from distributing the Special Capital Reserve to its shareholders without it being approved as a "distribution" (as defined in the Israeli Companies Law, 1999) to be subject to the receipt of all the approvals then required for it under law.
- On 30 June 2014, the Company reached a comprehensive settlement agreement (the "Agreement") with Club Hotel Investments (C.H.) Ltd. ("Club Hotel"), which settled the parties' disputes. The Agreement principally provides for the sale of the entire assets of the Joint Corporations (as defined below), for the distribution of the sales' consideration among the shareholders of such corporations and for the regulation of the joint control and management of their operations, which will allow the Joint Corporations to recover, for the purpose and until

such sales. As part of the agreement, the Company received at the beginning of July 2014 $ 3 million. For more details, please see note 1.2 to the attached financial statements.

- In late April 2014, the board of directors of PBS, has authorized Mr. Yigal Zilkha, the Company's Chairman (as the Company's representative), and a representative of the Club Hotel group, to negotiate with the minority shareholder of CHL (the "Investor") an investment in CHL by the Investor. Accordingly, the parties are currently negotiating the terms of such transaction, which is expected to result in a substantial dilution of the Company's holdings in CHL and the transfer of control in CHL to the investor.

  As of the date hereof, there is an uncertainty concerning the terms of the contemplated transaction with the Investor as well as an uncertainty whether a transaction with the Investor shall materialize at all.
- As previously reported, on 2 October 2013 the Company entered into an agreement with a third party for the sale of QLI's operation in Prague.
- The Group's strategy to diverse revenue mix is progressing:
  - Queenco Casino in Sihanoukville, Cambodia soft launched during 2012, giving us a strong platform for the future.
  - Exploring online gaming in areas where the Group already operates continues to progress well.
  - Developments in future South East Asia projects form part of our long-term strategy.

Financial Highlights for the 6 months ended 30 June 2014 (as compared to the 6 months ended 30 June 2013)

- Net Revenues were €6.9 million (2013: €5.5 million)
- EBITDA was negative €3.3 million (2013: negative €2.5 million)
- Loss for the year was €3.9 million (2013: Loss of €20.4 million)
- Cash and cash equivalents were €1.1 million as of 30 June 2014

Yigal Zilkha, Chairman of QLI, commented on the Company's status:

"We have witnessed some progress in Greece, which in the long term will hopefully allow Greece to turn a corner, but uncertainty remains as to the manner and timeframe of Greece's recovery. This situation adversely affects our Greece operations"

“Along with the implementation of our cost-saving plans and increased marketing efforts in Rhodes, we have shifted our focus to South East Asia, although we require additional capital in order to truly develop our current project in Sihanoukville, Cambodia. The Company is now considering various options to raise such capital".

Chief Executive’s Review

Introduction

The Group decided to strategically move away from Europe towards South East Asia, in order to decrease the losses we had previously incurred. Management believes that its recent marketing efforts concerning Casino Rhodes have already paid off and will continue to improve the casino's future prospects.

Summary of financial performance

Results for the 6 months ended 30 June 2014 (as compared to the 6 months ended 30 June 2013)

Net revenues increase by 25% to €6.9 million (2013: €5.5 million), an increase of €1.4 million, which is mainly due to the new operations of flights to Casino Rodos. Revenues continue to be suppressed by the prolonged economic crisis in Greece where the Group generates 94.7% of its net revenue from Casino Rodos. The Group remains a negative EBITDA at €3.3 million (2013: negative €2.5 million). The Company's net loss during the period amounts to €3.9 million (2013: loss €20.4 million).

Cash and cash equivalents amounted to €1.1 million as of June 30, 2014. The Company's management is of the opinion that the Company has good chances of executing a major portion of its plans in a timely manner. Accordingly the Company's management is of the opinion that its existing cash and the expected inflow of cash through the successful execution of its plans, will enable the Company to meet the needed cash levels required for the Group's operations and the payment of its obligations when due.

Operational Review

For detailed results by project for the three months ended 30 June 2014 and 2013 see Note 4 of the attached financial statement: segment information.

Casino Rodos

Results for the 6 months ended 30 June 2014 (as compared to the 6 months ended 30 June 2013)
As would be expected, revenues at Casino Rodos, the only casino located on the holiday island of Rhodes, continue to be impacted by the economic conditions in Greece and the uncertainty in the Eurozone. Net revenues amounted to €6.6 million (2013: €5.1 million). The number of visitors have increased while the win per visit has decreased. The main reason for the increase in net revenues was the new operations of flights to Rodos.

Queenco Casino, Sihanoukville

The project in Cambodia has suffered significant losses amounting for the 6 months ended 30 June 2014, to € 0.9 million. Such losses and negative cash flow were financed up to date by the Company. However, due to the financial condition of the Company (see note 1.2 to the attached financial statements) there is uncertainty as to the ability of the Company to continue to do so, if needed.

Outlook

The sale of our Prague operations in late 2013 and our activities to sell our assets in Bulgaria are in line with our current strategy to move away from Europe and to continue to explore opportunities in South East Asia and online gaming opportunities.

In addition to the development of the current project in Sihanoukville, the Company would like to develop a new tourist project on a 9 hectare land it owns in Sihanoukville, which is located near the current Cambodian project. The Company intends to continue to try and locate investors and/or business partners for the development of a tourist project on this land, which may include a hotel, casino, commercial center and a convention center, pursuant to the building permits for this land, which allow for the building of a 5 star hotel, consisting of 3,000 rooms, a commercial center and a convention center. However, due to the Company's cash flow distress, it may need to sell this land. Indeed, the Company's board of directors resolved in February 2013 to offer for sale the Company's 9 hectare land in Cambodia, if needed to enable the Company to meet its obligations. The Company has contracted a selling agent in Cambodia to help it in realizing the property. The Company also considers raising funds through the issuance of equity or debt, in which event it may re-consider its decision to sell the 9 hectare land.

Yariv Lerner
Chief Executive Officer, Queenco Leisure International Limited
28 August 2014

For further information about the Company, please visit www.queenco.com or contact:

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QUEENCO LEISURE INTERNATIONAL LTD

Interim condensed consolidated financial statements for
the interim periods ending 30 June 2014
(Unaudited)

QUEENCO LEISURE INTERNATIONAL LTD

Interim condensed consolidated financial statements

Deloitte.
Brightman Almagor Zohar

Review Report of the Independent Auditors to the shareholders of Queenco Leisure International Ltd.

Introduction

We have reviewed the accompanying financial information of Queenco Leisure International Ltd. and subsidiaries (hereafter- “the Group”) which includes the condensed consolidated statement of financial position as at 30 June 2014 and the condensed consolidated statements of comprehensive income (loss), changes in equity and cash flows for the six and three month periods then ended. The board of directors and management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the interim condensed financial information of a consolidated company, whose assets included in the consolidation constitute approximately 7% of the total consolidated assets as of 30 June 2014, and whose revenues included in consolidation constitute approximately 4% and 5% of the total consolidated revenues for the six and three month periods then ended. The condensed financial information for the interim periods of this company was reviewed by other auditors, whose review report have been submitted to us, and our conclusion, insofar as it relates to the financial information included for this company, is based on the review report of the other auditors.

Scope of Review

We conducted our review in accordance with Review Standard No.1 of the Institute of Certified Public Accountants in Israel "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the report of the other auditors, nothing has come to our attention that causes us to believe that the above financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of matter

Without qualifying our above conclusion, we draw attention to the following issues:

1. Note 1.2 as to the financial condition of the Group and the uncertainty deriving from such condition. During the six month period ended 30 June 2014, the Company incurred a operating losses of € 3.6 million. As of that date, the Company's current liabilities exceeded its current assets by €12.3 million. These matters and other matters described in the note are raising a substantial doubt about the Company's ability to continue as a "going concern". Management's plans concerning these matters are also described in Note 1.2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.
2. Note 1.2 as to developments and uncertainties regarding the dispute a consolidated company is facing with the Greek tax authorities with respect to a claim by the authorities for the payment of taxes in the amount of €23 million.
3. Note 1.2 as to the significant doubts regarding the ability of a consolidated company and an associated company to continue their operations as a "going concern".
4. Note 1.2 as to the comprehensive settlement agreement signed with a co-shareholder of 50% in Vasanta.

Brightman Almagor Zohar & Co.
Certified Public Accountants
A member firm of Deloitte Touche Tohmatsu Limited

August 28, 2014
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QUEENCO LEISURE INTERNATIONAL LTD
Consolidated Statements of Comprehensive Income (Loss)
(In thousands of €)

	3 months ended 30 June		6 months ended 30 June		Year ended
	2014	2013	2014	2013	2013
	unaudited	unaudited	unaudited	unaudited	
Revenues	4,247	3,103	6,961	5,505	15,287
Operating costs					
Cost of revenues	(3,592)	(2,562)	(7,124)	(5,731)	(11,952)
Selling and marketing expenses	(1,104)	(516)	(1,896)	(943)	(3,080)
General and administrative expenses	(607)	(1,265)	(2,176)	(2,334)	(4,812)
Other operating expenses	(837)	(478)	(1,037)	(478)	(792)
Share of results of associated company and joint ventures	1,935	(17)	1,713	(11)	34
Impairment of investment in associated company	-	(12,886)	-	(12,886)	(14,586)
Operating profit (loss)	42	(14,621)	(3,559)	(16,878)	(19,901)
Investment income	45	43	86	87	180
Finance costs	(188)	(225)	(341)	(757)	(1,324)
Foreign exchange gain (loss)	(74)	36	(27)	(736)	(1,048)
Profit (loss) before tax	(175)	(14,767)	(3,841)	(18,284)	(22,093)
Tax benefit (expense)	7	108	33	202	136
Profit (loss) from continued operations	(168)	(14,659)	(3,808)	(18,082)	(21,957)
Loss from discontinued operations	-	(1,545)	-	(2,305)	(1,583)
Total profit (loss) for the period	(168)	(16,204)	(3,808)	(20,387)	(23,540)
Other comprehensive income (loss) items to be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translation of foreign operations	128	(255)	109	1,004	(849)
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	128	(255)	109	1,004	(849)
Items not to be reclassified to profit or loss in subsequent periods:					
Re-measurements of net defined benefit liability	-	-	-	-	208
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods	-	-	-	-	208
Net other comprehensive income (loss)	128	(255)	109	1,004	(641)
Total comprehensive income (loss) for the period	(40)	(16,459)	(3,699)	(19,383)	(24,181)

QUEENCO LEISURE INTERNATIONAL LTD
Consolidated Statements of Comprehensive Income (Loss) (Cont.)
(In thousands of €)

	3 months ended 30 June		6 months ended 30 June		Year ended
	2014	2013	2014	2013	2013
	unaudited	unaudited	unaudited	unaudited	
Total profit (loss) for the period attributable to:					
Equity holders of the parent company	(13)	(15,990)	(3,261)	(19,809)	(22,914)
Non-controlling interest	(155)	(214)	(547)	(578)	(626)
	(168)	(16,204)	(3,808)	(20,387)	(23,540)
Total comprehensive income (loss) for the period					
Equity holders of the parent company	(170)	(16,128)	(3,383)	(19,426)	(23,907)
Non-controlling interest	130	(331)	(316)	43	(274)
	(40)	(16,459)	(3,699)	(19,383)	(24,181)
Profit (loss) per share for the period attributable to:					
Profit (loss) per share from continued operations (¢) - basic and diluted	-	(1.68)	(0.29)	(2.04)	(2.25)
Profit (loss) per share from discontinued operations (¢) - basic and diluted	-	(0.18)	-	(0.27)	(0.17)
	-	(1.86)	(0.29)	(2.31)	(2.42)

QUEENCO LEISURE INTERNATIONAL LTD

Consolidated statements of Financial Position

(In thousands of €)

	As at		
	30 June		31 December
	2014	2013	2013
	Unaudited	Unaudited	
Non-current assets			
Intangible assets	1,900	2,136	2,134
Property, plant and equipment	27,061	21,928	27,792
Investment in an associated company and joint ventures	10,737	13,784	11,587
Deferred tax asset	470	522	458
Other long term receivables	1,482	2,509	1,654
Total non-current assets	41,650	40,879	43,625
Current assets			
Inventories	178	284	118
Trade and other receivables	3,624	1,116	2,011
Cash and cash equivalents	1,116	2,416	1,679
	4,918	3,816	3,808
Non - current assets held for sale	-	9,111	-
Total current assets	4,918	12,927	3,808
Total assets	46,568	53,806	47,433
Current liabilities			
Accounts payable	1,349	1,672	1,105
Current tax liabilities	1,556	1,602	1,551
Other current liabilities	8,525	10,847	6,136
Bank overdraft and loans	5,797	1,011	6,282
Total current liabilities	17,227	15,132	15,074
Total assets less current liabilities	29,341	38,674	32,359
Non-current liabilities			
Long-term bank loans	-	5,768	-
Other long-term liabilities	2,566	3,934	2,601
Deferred tax	-	24	24
Provision for retirement benefits	611	776	575
Total non-current liabilities	3,177	10,502	3,200
Net assets	26,164	28,172	29,159

QUEENCO LEISURE INTERNATIONAL LTD
Consolidated Statements of Financial Position (Cont.)
(In thousands of €)

	As at		
	30 June		31 December
	2014	2013	2013
	Unaudited	Unaudited	
Shareholders' equity			
Share capital	2,220	114,122	217,364
Share premium	565	83,597	-
Translation reserve	11,210	12,898	11,332
Reserve for the grant of share options	93	-	-
Reserve for the waiver of options by a controlling shareholder	2,739	2,739	2,739
Other reserves	200,871	(14,319)	(14,319)
Accumulated deficit	(202,819)	(182,783)	(199,558)
Equity attributable to equity holders of the parent	14,879	16,254	17,558
Non-controlling interest	11,285	11,918	11,601
Total Equity	26,164	28,172	29,159

The financial statements were approved by the board of directors and authorised for issue on August 28, 2014. They were signed on its behalf by:

Yigal Zilkha	Yariv Lerner	Arie Haviv
Executive Chairman of the Board	Chief Executive Officer, Director	Chief financial officer

August 28, 2014

QUEENCO LEISURE INTERNATIONAL LTD
Consolidated Statements of Changes in Equity
(In thousands of €)

	Share capital	Share premium	Reserve for the grant of share options	Translation reserve	Reserve for the waiver of share options by a controlling shareholder	Other reserves	Accumulated deficit	Parent	Non-controlling interest	Total equity
For the six months ended 30 June 2014 (unaudited)										
Balance as at 1 January 2014	217,364	-	-	11,332	2,739	(14,319)	(199,558)	17,558	11,601	29,159
Stock split	(215,190)	-	-	-	-	215,190	-	-	-	-
Expenses resulting from grant of share options	-	-	93	-	-	-	-	93	-	93
Share issuance	46	565	-	-	-	-	-	611	-	611
Translation differences	-	-	-	(122)	-	-	-	(122)	231	109
Net loss for the period	-	-	-	-	-	-	(3,261)	(3,261)	(547)	(3,808)
Balance as at 30 June 2014 (unaudited)	2,220	565	93	11,210	2,739	200,871	(202,819)	14,879	11,285	26,164

	Share capital	Share premium	Translation reserve	Reserve for the waiver of share options by a controlling shareholder	Other reserves	Accumulated deficit	Parent	Non-controlling interest	Total equity
For the six months ended 30 June 2013 (unaudited)									
Balance as at 1 January 2013	114,122	83,597	12,515	2,739	(14,319)	(162,952)	35,702	11,875	47,577
Effect of Changes in Accounting Policies (see note 2)	-	-	-	-	-	(22)	(22)	-	(22)
Balance as at 1 January 2013 restated for changes in accounting policies	114,122	83,597	12,515	2,739	(14,319)	(162,974)	35,680	11,875	47,555
Translation differences	-	-	383	-	-	-	383	621	1,004
Net loss for the period	-	-	-	-	-	(19,809)	(19,809)	(578)	(20,387)
Balance as at 30 June 2013 (unaudited)	114,122	83,597	12,898	2,739	(14,319)	(182,783)	16,254	11,918	28,172

QUEENCO LEISURE INTERNATIONAL LTD
Consolidated Statements of Changes in Equity (cont.)
(In thousands of €)

	Share capital	Share premium	Reserve for the grant of share options	Translation reserve	Reserve for the waiver of share options by a controlling shareholder	Other reserves	Accumulated deficit	Parent	Non-controlling interest	Total equity
For the three months ended 30 June 2014 (unaudited)										
Balance as at 1 April 2014 (unaudited)	217,364	-	-	11,367	2,739	(14,319)	(202,806)	14,345	11,155	25,500
Expenses resulting from grant of share options	-	-	93	-	-	-	-	93	-	93
Translation differences	-	-	-	(157)	-	-	-	(157)	285	128
Stock split	(215,190)	-	-	-	-	215,190	-	-	-	-
Share issuance	46	565	-	-	-	-	-	611	-	611
Net loss for the period	-	-	-	-	-	-	(13)	(13)	(155)	(168)
Balance as at 30 June 2014 (unaudited)	2,220	565	93	11,210	2,739	200,871	(202,819)	14,879	11,285	26,164

	Share capital	Share premium	Translation reserve	Reserve for the waiver of share options by a controlling shareholder	Other reserves	Accumulated deficit	Parent	Non-controlling interest	Total equity
For the three months ended 30 June 2013 (unaudited)									
Balance as at 1 April 2013 (unaudited)	114,122	83,597	13,036	2,739	(14,319)	(166,793)	32,382	12,249	44,631
Translation differences	-	-	(138)	-	-	-	(138)	(117)	(255)
Net loss for the period	-	-	-	-	-	(15,990)	(15,990)	(214)	(16,204)
Balance as at 30 June 2013 (unaudited)	114,122	83,597	12,898	2,739	(14,319)	(182,783)	16,254	11,918	28,172

QUEENCO LEISURE INTERNATIONAL LTD
Consolidated Statements of Changes in Equity (Cont.)
(In thousands of €)

	Share Capital	Share Premium	Translation reserve	Reserve for the waiver of options by a controlling shareholder	Other reserves	Accumulated deficit	Parent	Non-controlling interest	Total Equity
Balance as at 31 December 2012	114,122	83,597	12,515	2,739	(14,319)	(162,974)	35,680	11,875	47,555
Share issuance	103,242	(83,597)	-	-	-	(13,860)	5,785	-	5,785
Translation differences	-	-	(1,183)	-	-	-	(1,183)	334	(849)
Re-measurement of net defined benefit liability	-	-	-	-	-	190	190	18	208
Loss for the year	-	-	-	-	-	(22,914)	(22,914)	(626)	(23,540)
Balance as at 31 December 2013	217,364	-	11,332	2,739	(14,319)	(199,558)	17,558	11,601	29,159

QUEENCO LEISURE INTERNATIONAL LTD
Consolidated Cash Flow Statements
(In thousands of €)

	3 months ended 30 June		6 months ended 30 June		Year ended
	2 0 1 4	**2 0 1 3**	**2 0 1 4**	**2 0 1 3**	**2 0 1 3**
	unaudited	**unaudited**	**unaudited**	**unaudited**	
Net cash from (used in) operating activities of continued operations (see Note 3)	(128)	8	(636)	(551)	(2,521)
Net cash used in operating activities of discontinued operations	-	(23)	-	(201)	(198)
Net cash used in operating activities	(128)	(15)	(636)	(752)	(2,719)
Investing activities:					
Interest received	-	-	-	44	-
Purchases of property, plant and equipment	(215)	(308)	(348)	(322)	(930)
Realization of a deposit	-	-	351	-	500
Net cash from (used in) investing activities	(215)	(308)	3	(278)	(430)
Net cash from investing activities of discontinued operation	-	-	285	-	216
Total net cash from (used in) investing activities	(215)	(308)	288	(278)	(214)
Financing activities:					
Repayments of borrowings	-	-	(500)	-	(500)
Receipt of long term loan	-	190	-	726	730
Repayment of long term loan	(306)	-	(306)	-	(4,010)
Receipt of short term loan	-	424	-	424	-
Share issuance	611	-	611	-	5,785
Net cash from financing activities	305	614	(195)	1,150	2,005
Net increase (decrease) in cash and cash equivalents	(38)	291	(543)	120	(928)
Effect of foreign exchange rate changes	(42)	(249)	(20)	(110)	201
Cash and cash equivalents at beginning of period	1,196	2,374	1,679	2,406	2,406
Cash and cash equivalents at end of period	1,116	2,416	1,116	2,416	1,679
Tax paid	-	(41)	-	(82)	(139)
Interest paid	(138)	(167)	(154)	(167)	(362)

NOTE 1 - GENERAL INFORMATION

1.1 Formation and equity developments

Queenco Leisure International Ltd (the “Company” or "QLI") is engaged, through various Israeli and foreign subsidiaries, associated companies and joint ventures (together with the Company the "Group") in emerging markets development and operations of casinos and entertainment centers.

QLI was incorporated in Israel on 9 September 2002 by Milomor Ltd. ("Milomor") (an Israeli company) and (Y.Z) Queenco Ltd. ("Queenco" or "YZ") (an Israeli public company whose shares are listed for trading in the Tel-Aviv stock exchange), who held, equally, the entire issued and paid up capital of the Company. The Company commenced its operating activities at the end of 2002. The Company's address is 11 Menachem Begin road, Ramat Gan, Israel.

On 12 August 2013 the Company completed a rights issue of its ordinary shares ("New Shares") , of which a portion were offered in the form of Global Depository Receipts (GDRs") for a total consideration of approximately € 5.8 million, net of expenses (including approximately € 4.4 million received from the Company's controlling shareholders that was used for the repayment of a portion of loans granted by a controlling shareholder).

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Upon completion of the rights issue, Queenco and its wholly owned subsidiary, which held, together, prior to the completion of the rights issue approximately 67% of the Company's issued share capital, transferred the entire amount of New Shares purchased by it in the rights issue to A.S.Y.V Hotels Ltd, a company controlled by Mr Yariv Lerner, a director in the Company and its Chief Executive officer. ("A.S.Y.V"), an Israeli corporation. A.S.Y.V held after the issuance approximately 33.5% of the issued and outstanding share capital of the Company; and Y.Z. and its wholly owned subsidiary, together with another corporation controlled by Yigal Zilkha (one of the controlling shareholders of Y.Z.), held, together, approximately 42.4% of the issued and outstanding share capital of the Company. On 4 September 2013 Y.Z. and A.S.Y.V entered into a shareholders' agreement (the "Shareholders Agreement") pursuant to which: (a) the parties will not sell or otherwise transfer their shares of QLI such that their aggregate voting rights in QLI shall decrease below 50.01% of the total voting rights of QLI, unless the transferee who receives the shares shall execute, prior to the consummation of the transfer and as a condition thereof, an obligation to comply with the provisions of the Shareholders Agreement; (b) the parties will coordinate their votes as much as possible prior to the occurrence of each general meeting of QLI's shareholders, such that every matter brought for the approval of the general meeting shall be discussed by the parties at a preliminary meeting and the parties shall vote in every general meeting of QLI's shareholders or every adjourned meeting thereof as agreed in such preliminary meeting. In the event that the parties are unable to agree on the manner of their vote regarding a certain matter, they will vote against its approval; (c) any new appointment, re-election or termination of office of a director of the Company shall be mutually agreed upon by the parties.

(in thousands of € unless otherwise stated)

NOTE 1 - GENERAL INFORMATION (Cont.)

1.1 Formation and equity developments (Cont.)

On 21 January 2014, the Company adopted a share option plan for the employees, consultants and service providers of the Company and its related companies (the "Option Plan"). The board of directors may grant up to 54,945,993 options to purchase ordinary shares of the Company under the Option Plan, constituting 5% of the Company's issued and outstanding share capital, at an exercise price per share of €0.024. The Option Plan allows for a cashless exercise under certain terms and is subject to the sole discretion of the plan's administrator. Generally, the Option Plan sets forth a three-year vesting term and a 6 years exercise period, and further provides for a limited exercise period in the event of the grantee's termination of employment/service with the Company. Until 30 June 2014, 23,626,777 share options were granted under the Option Plan to the Company's employees and officers (who are not directors or controlling persons), constituting 2.15% of the share capital of the Company. The fair value of the options granted amounts to €237 of which €93 were charged to the statement of comprehensive income (loss) in the six and three months periods ended 30 June 2014.

On 12 June 2014 the Company entered several share purchase agreements with non-affiliated investors (the "Investors"), pursuant to which the Company issued to the Investors a total of 29,415,530 shares of the Company (of which 21,723,091 shares were issued prior to 30 June 2014 in consideration of € 0.6 million and the balance after that date) (the "Issued Shares") for a total consideration of NIS 4 million (approximately € 0.85 million) representing a price per share of NIS 0.136 (equal to approximately € 0.029). The Issued Shares constitute approximately 2.61% of the Company's share capital after the issuance. These share issuances reflect a Company's pre-money valuation of NIS 150 million (approximately € 32 million).

Set forth below are the holding percentages of QLI's share capital before and after the contemplated issuances:

Name of Shareholder	**Percentage of Holdings in QLI's Share Capital**	
	Before the Issuance	After the Issuance
(Y.Z.) Queenco Ltd.	21.53%	20.97%
Shahar Hamillennium (1991) Ltd.	15.72%	15.31%
Yigal Muli Tourism Ltd.	5.15%	5.01%
Asyv Hotels Ltd	33.56%	32.69%
Public	24.04%	26.02%

On 23 June 2014, the Company affected a stock split of its shares according to which each ordinary share of the Company of NIS 1 par value was divided into 100 ordinary shares of the Company of NIS 0.01 par value each. In addition, out of every 100 ordinary shares of the Company of NIS 0.01 par value existing after the above mentioned split , 99 ordinary shares were cancelled.

The consideration originally paid for the par value of the cancelled shares was recorded in a capital reserve, deemed as a premium paid for the shares remaining in the issued share capital of the Company (the "Special Capital Reserve"). The Company may not distribute the Special Capital Reserve to its shareholders without it being approved as a "distribution" (as defined in the Israeli Companies Law, 1999) and subject to the receipt of all the required approvals.

NOTE 1 - GENERAL INFORMATION (Cont.)

1.2 Financial Condition

The Group's activities are adversely affected by the global economic crisis in general and the economic crisis in Greece in particular. The abovementioned, along with the Company's inability to exercise its rights in Club Hotel Loutraki S.A. ("CHL") due to disagreements with B.A.T (Management) 2004 Ltd. (of the Club Hotel Group) ("B.A.T.") regarding the control of CHL and Casino Austria International Holding GmbH's ("CAIH") unwillingness to comply with its contractual obligations to transfer € 49.5 million to Powerbrook Spain S.L ("PBS") (see below under "Project in Loutraki" for the settlement agreement signed with Club Hotel Investments (C.H.) Ltd), have brought the Company to operating losses of approximately € 3.6 million and € 19.9 million for the six month ended 30 June 2014 and the year ended 31 December, 2013, respectively. The Company's net negative working capital amounted to approximately € 12.3 million at 30 June 2014.

As a result, the Company was not able to meet its original repayment schedules of loans and credits received from Queenco (amounting at 30 June 2014 to €2.4 million) and from a previous shareholder in Dasharta (a company indirectly jointly controlled by the Company), from whom the Company purchased residual shares in said company in 2008. On 25 June 2014 the Company signed an amendment to the loan agreement with the previous shareholder in Dasharta, according to which loan will be linked to the Israeli CPI and bear annual interest of 7.5%. Out of the € 520 standing at 30 June 2014, € 340 are to be paid in equal monthly instalments of € 20 each over a 17 month period, and the remaining balance will be paid on 31 January 2016.

The Company's management is of the opinion that the Company will succeed in the future, if needed, in rescheduling the repayment schedules of loans from both Queenco and the previous shareholder of Dasharta. However, the current payment schedule of the loans from Queenco is in line with the repayment schedule of Queenco of debentures issued by it. Accordingly, the ability of the Company to re-schedule the payment terms of the loans from Queenco is dependent on the ability of Queenco to obtain other alternative financing sources to repay its debentures obligations.

During 2012, Casino Rhodes did not comply with its ongoing obligations to pay revenue tax and national security taxes, but had agreed with the tax authorities on a payment plan concerning these amounts. Recently Casino Rhodes agreed with the tax authorities on an additional payment plan concerning its payment obligations for the first quarter of 2014. The total liability under the payments plans amounts to € 2 Million as of 30 June 2014. Non-compliance with on-going tax obligations could lead to the termination of the license.

See note 1.3 to the Company's 2013 annual financial statements for details of the tax claims in Casino Rhodes. If the court rules against Casino Rhodes, neither Casino Rhodes nor the Group have the financial means to pay such amount and Casino Rhodes will probably not be able to continue its operations. QLI and Y.Z. have provided guarantees for the repayment of a loan extended to Casino Rhodes by a bank. The balance of the liability as of 30 June 2014 amounts to approximately € 5.8 million.

Due to the decrease in the expected revenue of Casino Rhodes, the Company made an impairment test on the operating assets of Casino Rhodes. Based on a valuation made by an independent appraiser, the Company recorded an impairment charge of € 234. The impairment was allocated to goodwill for the investment in Casino Rhodes and was recorded under "Other expenses" in the statement of comprehensive income (loss) for the six and three month periods ended at 30 June 2014. The valuation was done using the DCF model (of the value in use) using the following assumptions:

1. A discount rate before tax was 22.9%.
2. A growth rate of 1%.

The recoverable amount of Casino Rhodes based on the valuation performed is € 11.2 million. The balance of the goodwill after the impairment is € 1.9 million.

NOTE 1 - GENERAL INFORMATION (Cont.)

1.2 Financial Condition (Cont.)

There are substantial doubts as to the ability of the project in Cambodia to continue its operations as a "going concern". The financial statements do not include any adjustments that might result from the outcome of this uncertainty. For more information see note 1.3 to Company's 2013 annual financial statements.

On 30 June 2014, the Company reached comprehensive settlement agreement (the "Agreement") with Club Hotel Investments (C.H.) Ltd. ("Club Hotel"), that settled the parties' disputes. The Agreement principally provides for the sale of all the assets of the Joint Corporations (as defined below), for the distribution of the sales' consideration among the shareholders of such corporations and for the regulation of the joint control and management of their operations, which will allow the Joint Corporations to recover, for the purpose and until such sales. As Further elaborated bellow under “Project in Loutraki" and as part of the agreement, the Company received at the beginning of July 2014 $ 3 million. The realization of the assets according to the agreement may enable the Company to meet its obligations. In addition the agreement may enable the Company to develop the operation in Cambodia and may change the realization plan of other assets as mentioned below.

The Group is continuing the implementation of its cost saving and marketing plans. AS part of its plans, the Group continues in its efforts to increase tourists' arrival to the Rhodes Islands trough a newly formed subsidiary which engages in the marketing and the operation of flights from Israel to the Rhodes Island and in the management of a customers' club.

In addition, the Group is continuing its efforts to realize excess assets, such as the planned sale of a real estate in Bulgaria (which is not in use by the Group) and a 9-Hectare land in Cambodia. Although the Company would like to develop a new tourist project on the 9-Hectare land, due to the Company's cash flow distress, it may need to sell this land. The Company's Board of Directors, in a meeting held in February 2013, resolved to offer for sale the 9-Hectare land, if needed, to enable the Company to meet its obligations. The Company has contracted a selling agent in Cambodia to help it in realizing the sale. The Company has also contracted a selling agent in Bulgaria to help with its plans in selling the real estate there. Until and including the third quarter of 2013, the assets were presented as held for sale. However, due to the extended period in which such efforts were made, with no success, the Company has, in the fourth quarter of 2013, reclassified the assets back to Property Plant and Equipment, where they were originally presented, as the sale is no longer considered highly probable within the context of IFRS 5.

The Company still considers raising funds through the issuance of equity or debt, in which event it may re-consider its decision to sell the 9-Hectare land.

The aforesaid raises substantial doubts as to the Company's ability to continue as a "going concern". The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The timing and scope of the success in the execution of some of the abovementioned actions depend on agreements with third parties and/or are affected by processes and other factors that are not under the Company's control. Nonetheless, the Company's management is of the opinion that the Company has good chances of executing the sale of the land in Cambodia and at least a major portion of its other plans in a timely manner. Accordingly, the Company's management is of the opinion that its existing cash and the expected inflow of cash through the successful execution of the above mentioned plans, will enable the Company to meet the needed cash levels required for its operations and the payment of its obligations when due.

NOTE 1 - GENERAL INFORMATION (Cont.)

1.2 Financial Condition (Cont.)

Project in Loutraki

A. On 16 October 2013, the joint venture principally held by CHL and operating the Casino Loutraki (the **"JV"**), filed a petition with the court to allow the JV to reach a settlement with its creditors. Recently, the Greek court has approved the JV's proposed settlement with its creditors (the "Settlement"). The Settlement relates to the debt existing on the date of filing the petition, and provides that most of the debt will be paid over a period of approximately 7 years, without interest or penalty. On 29 May 2014, the JV has also reached a settlement for the payment of the obligations incurred between 1 August 2013 and 30 April 2014 over a year.

B. On 6 November 2013, the Greek Gamming Committee for the Supervision and Audit of Games (the "Gamming Committee") invited the JV for a hearing to answer claims that it has allegedly breached Casino Loutraki's license terms due to its failure to transfer certain payments to the Greek authorities (which may result in the evocation of the licence). At the said hearing, which took place on 18 November 2013, the Gamming Committee instructed CHL to submit in writing its position concerning the claims raised by the Committee. CHL submitted its position on 26 November 2013 and paid on May 2014, as required by Gamming Committee, part of its overdue liabilities.

The Gamming Committee's decision has not yet been delivered.

The Company is unable to estimate if and to what extent the Committee's decision shall affect the license granted to the JV for the operations of Casino Loutraki.

The above further supports the Company's management's opinion that there are significant doubts as to the ability of CHL to continue its operations as a "going concern".

Except for an agreed loan to be provided by PBS to CHL as part of the settlement agreement (see below), the Company is not obligated to provide a capital injection to CHL or to cover its liabilities.

In late April 2014, the board of directors of PBS, has authorized Mr. Yigal Zilkha, the Company's Chairman (as the Company's representative), and a representative of the Club Hotel group, to negotiate with the minority shareholder of CHL (the "Investor") an investment in CHL by the Investor. Accordingly, the parties are currently negotiating the terms of such transaction, which is expected to result in a substantial dilution of the Company's holdings in CHL and the transfer of control in CHL to the investor.

As of the date hereof, there is an uncertainty concerning the terms of the contemplated transaction with the Investor as well as an uncertainty whether a transaction with the Investor shall materialize at all.

NOTE 1 - GENERAL INFORMATION (Cont.)

1.2 Financial Condition (Cont.)

Project in Loutraki (Cont.)

C. <u>Agreement with Club Hotel</u>

On 30 June 2014, the Company entered into the Agreement with Club Hotel, which settled the parties' disputes.

Background

The Company and Club Hotel (the "Parties") hold, directly and indirectly, through a chain of Israeli and foreign companies (the Joint Corporations") various operations, shares, assets and rights, which include, among others:

(1) An hotel and casino in Loutraki, Greece and a casino in Belgrade, Serbia – (the "CHL's Operations")

(2) A land parcel of approximately 50 hectares in Sihanoukville, Cambodia, which is indirectly owned by Agastia (as defined below)(the "Cambodian Land");

(3) Cash and cash equivalents in an amount of approximately € 8 million, held by Powerbrook Spain SL ("PBS") and Agastia Holdings Ltd. ("Agastia"), two of the Group's Corporations;

(4) A put option granted to Vasanta Holdings Ltd. ("Vasanta"), one of the Group's Corporations, by Casino Austria according to an August 31, 2008 document, which was exercised by Vasanta, and which is under dispute between Casino Austria and Vasanta (the "Casino Austria Option").

Certain disputes arose between the Parties and/or their related entities (as reflected, among other things, by various claims filed by the Parties against each other), which prevented the Company during the past few years from exercising its rights in, and fulfill the full potential of, the above assets.

Set forth below are the principal terms of the Agreement:

1. **<u>Regulation of the control and management mechanisms in a manner that will allow the improvement and sale of the assets</u>**

   In order to regulate the joint control and management of the Joint Corporations in a manner that will allow the improvement and sale of the assets of the Joint Corporations, the Parties undertook to amend the articles of associations of Vasanta, Dasharta and Agastia, and to regulate the composition of the board of directors of the Group's Corporations, such that in addition to an identical number of directors who shall be recommended by each of the Parties, there shall be appointed, through a committee appointed by the Parties, an administrator (the **"Administrator"**), an individual, who shall serve as a director in some of the Joint Corporations, thus allowing these corporations to adopt resolutions in the event that the representatives of each of the Parties are in a deadlocked. In addition, and as described below, the administrator shall serve as a trustee for the sale of the assets of the Joint Corporations.

   The parties have yet to nominate an Administrator.

NOTE 1 - GENERAL INFORMATION (Cont.)

1.2 Financial Condition (Cont.)

Project in Loutraki (Cont.)

C. Agreement with Club Hotel (Cont.)

2. Sale of the Cambodian Land

2.1 Agastia has irrevocably resolved to sell the Cambodian Land, immediately following the execution of the Agreement and to the best bidder, provided it is a third party unrelated to either of the Parties, directly or indirectly.

2.2 As soon as possible after its appointment, the Administrator shall be irrevocably appointed as a sale trustee, to act in the name of Agastia as its sole and only representative for selling the Cambodian Land. It is clarified that any proposal received by the Administrator shall be brought for a discussion and approval before the Agastia's board of directors so that the Administrator shall not be able to bind the parties in a sales agreement or in granting any right to a third party.

3. Settlement concerning the Casino Austria Option

Mr. Moshe Bublil has been appointed, on behalf of Vasanta, to advance the settlement negotiations with Casino Austria concerning the Casino Austria Option. In any event, a settlement proposal shall be brought for the approval of Vasanta's board of directors. The current arbitration proceedings between Vasanta and Casino Austria shall continue simultaneously, without delay, unless Vasanta shall resolve otherwise.

4. Sale of the CHL Operations

4.1 No later than the lapse of 15 months from the date of the Agreement, CHL Operations shall be put up for sale to the best bidder, provided it is a third party unrelated to either of the Parties, directly or indirectly, through the Administrator, who shall serve as a sale trustee. Until then, the Parties intend to act through a joint management for the improvement of the CHL Operations.

4.2 Any offer received by the Administrator shall be brought for the discussion and approval of the relevant board of directors so that the Administrator shall not be able to solely bind the Parties in a sales agreement or in granting any right to a third party.

5. Loans, Assignments and Payments

5.1 PBS has resolved to loan to the CHL Operations an amount of € 6.8 million. The Company estimates that the CHL Operations shall require additional funding during the next few months however, as mentioned above, the Group has no obligation to provide any such funding. Until the sale of the CHL Operations, the Parties intend to collaborate in order to find funds sources and maximize the operations value.

5.2 The Company shall transfer 4% of the share capital of Dasharta Holdings Ltd. ("Dasharta") to Club Hotel and shall irrevocably assign to Club Hotel loans extended by it to Agastia and capital notes of Agastia in such amounts that shall result in Agastia's owing to each of the Parties identical amounts of shareholders loans and capital notes.

5.3 In consideration thereof, Club Hotel shall pay to the Company an amount of $2.8 million, as follows:

5.3.1 $2.2 million shall be immediately paid to the Company;

NOTE 1 - GENERAL INFORMATION (Cont.)

1.2 Financial Condition (Cont.)

Project in Loutraki (Cont.)

C. Agreement with Club Hotel (Cont.)

5. Loans, Assignments and Payments (Cont.)

5.3.2 $0.5 million shall be paid to the Company by 30 October 2014;
5.3.3 $0.16 million shall be paid to the Company by 31 December 2014.
5.4 As a final and sole payment in respect of the claims to receive money from the Joint Corporations by the Company and any person on its behalf, Agastia has resolved to pay the Company $1 million (€ 0.7 million) , of which $0.2 million (€0.15 million) were paid prior to the execution of the Agreement.

6. Termination of Pending Legal Proceedings

On the date of the Agreement, petitions to terminate all the pending legal proceeding between the Parties and/or to accept the Agreement as a ruling of the court, as the case may be, were executed (except a libel lawsuit filed by (Y.Z.) Queenco Ltd. (**"Y.Z."**)).

7. Securities of Y.Z. and the Company

As long as Mr. Moshe Bublil and any corporation under his control (and in this respect "control" means the holding of at least 20% of the voting rights of such corporation), hold any kind of securities of Y.Z. or the Company, which were issued and listed for trading on a Stock Exchange in Israel or outside of Israel, including on the London Stock Exchange, no direct or indirect use of their voting rights shall be made, and such voting rights shall not be transferred or assigned, including by way of granting a proxy to vote such shares; and no additional securities of Y.Z. or the Company shall be purchased or received for any consideration or for no consideration, whether directly or indirectly.

To date, except for the nomination of the Administrator, substantially all of the actions that were to take place were complotted. In addition, the € 6.8 million loan is to be converted into equity.

The provisions under section 5.1 to 5.3 above resulted in a net loss of € 603 included in "Other operating expenses" in the consolidated statements of comprehensive income (loss). An amount of $0.7 million (€ 0.5 million) of the total amount under section 5.4 above was deducted from "administrative expenses" for the three and six-month periods ended 30 June 2014.

As a result, on 30 June 2014, PBS re-gained its control over the operations of CHL. The Company approached an independent appraiser for the preparation of a Purchase Price Allocation study for assets acquired and liabilities assumed. Due to the tight time framework, the work of the appraiser is not yet completed, particularly regarding property plant and equipment whose book value amounts to approximately € 90 million. Considering the above mentioned, the Company has applied a provisional allocation assuming that the fair value of its property plant and equipment equals its book value. The provisional treatment resulted in a gain of € 4.6 million from the negative goodwill arose. The Company's share of € 2.3 million in this gain is included in the statement of comprehensive income (loss) under "Share of results of associated company and joint ventures".

NOTE 1 - GENERAL INFORMATION (Cont.)

1.2 Financial Condition (Cont.)

Project in Loutraki (Cont.)

For the year ended 31 December 2013, the Company recorded an impairment charge of € 14.6 million with respect to its investment in CHL under "impairment of investment in an associated company" reducing the carrying amount in its financial statements to zero.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim periods, as prescribed in IAS 34, "Interim Financial Reporting". The significant accounting policies and methods of computation adopted in the preparation of the interim Condensed financial statements are consistent with those followed in the preparation of financial statements as of December 31, 2013.

(in thousands of € unless otherwise stated)

NOTE 3 - NOTE FOR THE CONSOLIDATED CASHFLOW STATEMENTS

	3 months ended June 30		6 months ended June 30		Year ended December 31
	2014	2013	2014	2013	2013
	Unaudited		Unaudited		
Net profit (loss)	(168)	(16,204)	(3,808)	(20,387)	(23,540)
Adjustments for:					
Depreciation of property, plant and equipment	484	483	960	968	1,954
loss as a result of the Agreement	603	-	603	-	-
Increase (Decrease) in provisions	(31)	(88)	32	(64)	(169)
Loss on sale of property, plant and equipment and disposals	-	-	-	-	296
Impairment of investment	-	12,886		12,886	14,586
Impairments and disposals	234	478	434	478	478
Loss on disposal of discontinued operation	-	1,545	-	2,305	1,583
Loss from deem disposal					(870)
Investment income	(45)	(43)	(86)	(87)	(180)
Finance costs	188	225	341	757	1,324
Foreign exchange loss (gain)	74	(36)	27	736	1,048
Share of result of associated company and joint ventures	(1,935)	17	(1,713)	11	(34)
Expense relating to grant of share options	93	-	93	-	-
Operating cash flows before movements in working capital	(503)	(737)	(3,117)	(2,397)	(3,524)
Decrease (increase) inventories	(66)	(24)	(60)	(3)	6
Decrease in receivables	(425)	309	43	475	279
Increase in payables	1,004	668	2,652	1,623	1,219
Cash generated by operations	10	216	(482)	(302)	(2,020)
Income taxes paid	-	(41)	-	(82)	(139)
Interest paid	(138)	(167)	(154)	(167)	(362)
Net cash from (used in) operating activities	(128)	8	(636)	(551)	(2,521)

(in thousands of € unless otherwise stated)

NOTE 4 - SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Segmental Revenues and Profit:

	Rhodes	Cambodia	Adjustments	Total
	Six months ended June 30, 2014			
Revenues	6,597	311	53	6,961
Segment profit (EBITDA before other operating expenses)	(2,176)	(822)	(277)	(3,275)
Depreciation & Amortization	866	45	49	960
Other expenses				(603)
Impairment of non-current assets				(434)
Share of results of associates and joint ventures				1,713
Operating loss				(3,559)
Finance costs, investment income and Foreign exchange gain				(282)
Loss before tax				**(3,841)**

	Rhodes	Cambodia	Adjustments	Total
	Six months ended June 30, 2013			
Revenues	5,076	281	148	5,505
Segment profit (EBITDA before other operating expenses)	(939)	(752)	(844)	(2,535)
Depreciation & Amortization	864	37	67	968
Impairment of investment in associated company				(12,886)
Impairment of non - current asset held for sale				(478)
Share of results of associates and joint ventures				(11)
Operating loss				(16,878)
Finance costs, investment income and Foreign exchange gain				(1,406)
Loss before tax				**(18,284)**

(in thousands of € unless otherwise stated)

NOTE 4 - SEGMENT INFORMATION (Cont.)

Segmental Revenues and Profit:

	Rhodes	Cambodia	Adjustments	Total
	Three months ended June 30, 2014			
Revenues	3,998	228	21	4,247
Segment profit (EBITDA before other operating expenses)	(365)	(229)	22	(572)
Depreciation & Amortization	431	22	31	484
Other expenses				(603)
Impairment of non - current asset				(234)
Share of results of associates and joint ventures				1,935
Operating loss				42
Finance costs, investment income and Foreign exchange gain				(217)
Loss before tax				**(175)**

	Rhodes	Cambodia	Adjustments	Total
	Three months ended June 30, 2013			
Revenues	2,897	117	89	3,103
Segment profit (EBITDA before other operating expenses)	24	(381)	(400)	(757)
Depreciation & Amortization	429	19	35	483
Impairment of investment in associated company				(12,886)
Impairment of non - current asset held for sale				(478)
Share of results of associates and joint ventures				(17)
Operating loss				(14,621)
Finance costs, investment income and Foreign exchange gain				(146)
Loss before tax				**(14,767)**

(in thousands of € unless otherwise stated)

NOTE 4 - SEGMENT INFORMATION (Cont.)

Segmental Revenues and Profit:

	Rhodes	Cambodia	Adjustments	Total
	The year ended December 31 2013			
Revenues	14,385	677	225	15,287
Segment profit (EBITDA before other operating expenses)	668	(1,418)	(1,853)	(2,603)
Depreciation & Amortization	1,724	109	121	1,954
Impairment of investment in associated company				(14,586)
Impairment of non - current asset held for sale				(478)
Other expenses				(314)
Share of results of associates and joint ventures				34
Operating profit				(19,901)
Finance costs, investment income and Foreign exchange gain				(2,192)
Profit before tax				**(22,093)**

NOTE 5 - Other information

Fair value disclosures:

Carrying amounts for all financial instruments as at 30 June 2014 approximate fair value.