



**October 19, 2012**

**Announcement of a Proposed Rights Issue**

Queenco Leisure International Ltd., the emerging markets entertainment center and casino developer and operator (the "**Company**"), today announces that its Board of Directors approved a rights issue (the "**Rights Issue**") to all holders of the Company's ordinary shares as of October 31, 2012 (the "**Record Date**"). Only shareholders on the Record Date ("**Record Date Shareholders**") and holders of Global Depositary Receipts ("**GDRs**") representing the Company's ordinary shares on the Record Date may participate in the Rights Issue; provided that they meet certain criteria as set forth in the Rights Issue Memorandum.

Under the contemplated Rights Issue, the Company is proposing to issue up to 257,057,276 ordinary shares, par value NIS 1.00 per ordinary share (the "**New Shares**"), at EUR 0.016 per New Share. Under the Rights Issue, eight New Shares will be offered for every 11 ordinary shares held by Record Date Shareholders.

The terms and conditions of the Rights Issue, including notification of which shareholders and GDR holders may participate, will be set out in a Rights Issue Memorandum that will be sent, or otherwise made available, to all Record Date Shareholders on or about November 1, 2012.

Queenco Leisure International Ltd.

**For further information please visit [www.queenco.com](http://www.queenco.com) or contact:**

**Queenco Leisure International Ltd.**

Haim Assayag, Executive Chairman of the Board.

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Tal Taragan, CEO

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This announcement is not a prospectus for the purposes of EU Directive 2003/71/EC, as amended (the "Directive"), and/or Part VI of the Financial Services and Markets Act 2000. Nothing in this announcement should be interpreted as a term or condition of the Rights Issue. Any purchase of or application for the securities referred to herein should only be made on the basis of the information contained in any final offering document to be distributed to Record Date Shareholders in connection with the potential Rights Issue. The price and value of, and income from, such securities may go up as well as down. Persons needing advice should consult a professional adviser.

No person has been authorized to give any information or to make any representations other than those contained in this announcement and, if given or made, such information or representations must not be relied on as having been authorized by the Company. In addition, no agent or representative of the Company accepts any responsibility whatsoever for the contents of this document and no representation or warranty express or implied, is made by any agent or representative as to the information set out in this document.

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