



24 September 2009

**Queenco Leisure International Ltd**

**Examination of Merger with Y.Z. Queenco Ltd.**

Queenco Leisure International Ltd. (the "Company" or "QLI"), the emerging markets developer, operator and owner of entertainment centers, casinos and leisure resorts, today announced that its board of directors has instructed the Company's management to examine the process of a merger between QLI and Y.Z. Queenco Ltd. ("Y.Z.") (TASE: QNCO), the holder (directly and indirectly through its wholly-owned subsidiary Shachar Hmilenum (1991) Ltd. ("Shachar")) of approximately 64% of QLI's share capital. Such merger, if completed, is currently expected to be consummated through the issuance to QLI's shareholders of ordinary shares of Y.Z., resulting in Y.Z. becoming the holder (directly and indirectly through Shachar) of all of the outstanding share capital of QLI.

QLI has appointed, and Y.Z. has separately announced that it has appointed, a special committee of their respective board of directors for the purpose of examining the terms of the merger, including the amount of Y.Z. ordinary shares to be issued in exchange for each outstanding share of QLI.

QLI's management continues to examine the tax, legal, accounting and economic aspects of the merger which may affect the structure of such merger. There is no assurance that such merger will be consummated, whether on the terms described above or on other terms.

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

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