23 August 2010

Queenco Leisure International Ltd

(the "Group" or "QLI"),

Financial Results for the three and six months ended June 30, 2010

Queenco Leisure International Ltd, the emerging markets casino developer and operator, is pleased to report its results for the three and six months ended June 30, 2010.

Financial Highlights for the six months ended June 30, 2010

- Gross revenues were €68.4 million (2009: €81.9 million)
- Net Revenues were €47.7 million (2009: €57.9 million)
- EBITDA was negative €1.5 million (2009: €11.8 million positive)
- Loses before tax were €10.7 million (2009: €2.4 million profit)
- EPS was -3.8¢ (2009: -0.7¢)
- Loss per GDR (each GDR representing 10 ordinary shares) was -38¢ (2009: -7¢)
- Cash and cash equivalents position of €20.4 million as at June 30, 2010

Operating and Business Highlights

- Lower spend per head has continued to impact revenues in Q2 as our Greek customers continue to be affected by economic downturn
- Successfully maintained number of visits across all our casinos, despite economic conditions
- Customer loyalty has remained strong through the continued delivery of superior customer service
- Focused on marketing at all our casinos

Yigal Zilkha, Executive Chairman of QLI, commented on the results:

"The operating environment remains challenging, particularly in Greece where the economic situation due to the financial crisis is deterring customers from spending at our casinos. QLI continues to deliver on its strategy of investing in order to maintain customer loyalty during the downturn, and we are witnessing encouraging results in relation to the number of visitors. Visit numbers remain high and consistent with previous periods, and we believe that this will position us well for when the market improves The Group has a cash position of €20.4 million and it continues to keep its investment strategy and operating costs under constant review".

Copies of the analyst / investor presentation accompanying these results are available to download on Queenco Leisure International Limited's investor relations website: www.queenco.com

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Introduction

The downturn in the world economy, and in particular the Greek debt crisis effected and reduced spend across the gaming sector, which has impacted our flagship casino in Loutraki and our other Greek casino on the Island of Rhodes. Our financial performance in the period has again been affected by the drop in spend per head, as customers remain cautious.

However, despite this challenging period it is important to stress that our number of visits has remained constant. We have a balance sheet with a cash position of €20.4 million, and our strategy of maintaining customers and cash has been based around ensuring that the business remains in a strong position to take advantage of a recovery.

Summary of financial performance

Results for the six months ended June 30, 2010

Gross revenues were €68.4 million (2009: €81.9 million) whilst net revenues were €47.7 million (2009: €57.9 million). Negative EBITDA was €1.5 million (2009: €11.8 million positive). Net loss was €14.7 million (2009: loss €1.0 million). Basic loss per share was 3.8¢ (2009: loss 0.7¢) and loss per GDR (each GDR representing 10 ordinary shares) were 38¢ (2009: loss 7¢).

Results for the three months ended June 30, 2010

Gross revenues were €31.6 million (2009: €38.3 million), whilst net revenues were €22.1 million (2009: €26.8 million). Revenues and profits continue to be affected by the economic crisis in Greece and slowdown in other countries where the Group has operations. Customers continued to visit our casinos, however spend per head was down compared to the same period in 2009. EBITDA was negative at €0.7 million (2009: €4.7 million positive), a decrease mainly attributed to the reduction in net revenue. Net loss was €8.3 million (2009: loss €0.4 million). This decrease was caused by a decline of €5.4 million in EBITDA, an increase of €0.6 million in the net finance cost, mainly attributed to foreign exchange loss and the increase of €1.8 million in income tax, mainly at Casino Loutraki and Casino Rodos. This was caused by the Greek Government's introduction of a windfall tax or special social contribution on all businesses to help reduce the public deficit.

Basic loss per share was 2.0¢ (2009: loss 0.3¢) and loss per GDR (each GDR representing 10 ordinary shares) were 20¢ (2009: loss 3¢).

Operational Review

Results by casino for the six months ended June 30, 2010

Casino	Gross Gaming Revenue (EUR m)		Net Revenue (EUR m)		EBITDA (EUR m)		Visits (000's)		Gross Win per Visit (EUR)		QLI's Economic Interest
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
Loutraki	86.1	105.5	59.2	72.2	6.3	21.0	538	571	160	185	38.5%
Rodos	12.6	14.7	8.9	10.4	0.2	2.2	69	69	183	213	91.6%
Palace	6.1	9.9	5.2	9.5	(1.1)	2.7	52	55	117	179	83.3%
Belgrade	5.3	5.7	4.8	5.2	(0.1)	(1.3)	148	133	36	43	34.7%

*Loutraki is consolidated in QLI report as 50% while the results of Rodos and Palace are fully consolidated.
** The results of Casino Beograd are fully consolidated in Loutraki financial statements as from April 1, 2009.

Results by Casino for the three months ended June 30, 2010

Casino	Gross Gaming Revenue (EUR m)		Net Revenue (EUR m)		EBITDA (EUR m)		Visits (000's)		Gross Win per Visit (EUR)		QLI's Economic Interest
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
Loutraki	39.3	48.5	27.3	33.4	4.1	11.4	247	263	159	184	38.5%
Rodos	5.9	7.7	4.2	5.5	0.1	1.7	36	37	166	207	91.6%
Palace	2.5	3.0	2.2	2.8	(0.8)	(0.7)	25	26	102	112	83.3%
Belgrade	2.7	2.9	2.4	2.7	(0.1)	(0.5)	73	65	37	44	34.7%

*Loutraki is consolidated in the report as 50% while the results of Rodos and Palace are fully consolidated.
** The results of Casino Beograd are incorporated in Loutraki.

Club Hotel Casino Loutraki ("Casino Loutraki")

Results for the six months ended 30 June 2010 (does not include consolidated results for Casino Beograd)

Gross gaming revenues for the six months ended 30 June 2010 were €86.1 million (2009: €105.5 million), whilst net revenues were €59.2 million (2009: €72.2 million). Over the period Casino Loutraki generated EBITDA of €6.3 million, a decrease of 70% (2009: €21.0 million), which was mainly due to the fall in win per visit numbers as customers continued to spend less, and the increase in operational expenses caused by the increase in VAT. Staff costs have also increased during the period due to previously signed collective agreements which have impacted EBITDA. The casino has taken action to reduce staff numbers and should experience the benefit of that going forward. A net loss of €4 million (2009: loss of €1 million), was caused by the Greek Government's windfall tax of special social contributions to reduce the deficit which impacted the casino by €3.6 million.

Despite the continuing Greek economic crisis, Loutraki continued to attract a high number of visits; 538 thousand in the six months ended 30 June 2010 (2009: 571 thousand), as the casino focused its marketing efforts on maintaining customer levels.

Results for the three months ended 30 June 2010 (does not include consolidated results for Casino Beograd)

During the second quarter period, the casino generated net revenues of €27.3 million (2009: €33.4 million), EBITDA of €4.1 million (2009: €11.4 million) and a net loss of €2.8 million (2009: profit of €5.2 million). The decrease in the results are mainly due to the decline in spend per head and our strategy to maintain the same high level of service and the €3.6 million windfall tax imposed as a result of special social contributions by the Greek government in the second quarter.

Casino Beograd

Casino Loutraki holds a 90% stake in Casino Beograd. During the six month period ended 30 June 2010, Casino Beograd attracted 11% more visits than in the same period last year, taking the total for the period to 148 thousand.

Gross gaming revenues for the six months ended 30 June 2010 were €5.3 million (2009: €5.7 million), while net revenues were €4.8 million (2009: €5.2 million). Over the period Casino Beograd broke even at the EBITDA level, compared to a negative EBITDA of €1.3 million in 2009. This was mainly due to the reductions in cost of revenue and marketing expenses. The net loss for the six months ended 30 June 2010 was €5.1 million (2009: loss of €4.5 million). The increase in net loss is mainly attributed to a €1.4 million income tax liability, caused by a change in the Serbian law which relates to the transference of tax losses during the period (reduced from 10 to 5 years).

The casino is still a relatively new addition to the Group's portfolio and continues to grow, attracting 12.1% more visitors in the three months ended 30 June 2010; 73 thousand (2009: 65 thousand). As in most gaming markets across the world, Serbia has been affected by the slowdown in consumer spending; however the continuing improvement in EBITDA indicates the growth in Casino Beograd.

Casino Rodos

Results for the six months ended 30 June 2010

Casino Rodos, the only casino located on the holiday island of Rhodes has continued to be affected by the Greek economic crisis. For the six months ended 30 June 2010 gross gaming revenues were €12.6 million (2009: €14.7 million) and net revenues were €8.9 million (2009: €10.4 million), mainly caused by the decrease in win per visit due to guests' lower spending budgets. EBITDA during the period was €0.2 million, compared to €2.2 million during the same period last year. The casino produced a net loss for the period of €1.3 million (2009: Net profit of €0.3 million).

As with Loutraki the new windfall tax on businesses in Greece has impacted Casino Rodos by €0.3 million during the period. With the increases in VAT and tax on private income, this has affected our customers. Despite the slowdown in the Greek tourist market however, the operation of new twice weekly charter flights for VIPs visiting the island has maintained visit levels at Casino Rodos. Win per visit however fell during the period, as customers remain cautious about the economic uncertainty. Win per visit declined by 14.4% to €183 (2009: €213).

Results for the three months ended 30 June 2010

During the second quarter period, the casino generated net revenues of €4.2 million (2009: €5.5 million), EBITDA of €0.1 million (2009: €1.7 million) and a net loss of €0.7 million (2009: profit of €0.5 million). The decrease in the results is mainly due to the decline in spend per head and our strategy to maintain the same high level of service and the €0.3 million windfall tax on businesses by the Greek government in the second quarter.

Casino Palace

Results for the six months ended 30 June 2010

Gross gaming revenues decreased by 39% to €6.1 million (2009: €9.9 million), while net revenues were €5.2 million (2009: €9.5 million). This resulted in a negative EBITDA of €1.1 million (2009: positive EBITDA of €2.7 million), mainly as a result of the decrease in net revenues that was affected by the reduction in win per visit by 35% to €117 (2009: €179) as there were less high rollers visiting the casino compared to the same period in 2009. The increase in gaming tax that was approved by the Romanian government in August last year also contributed to the impact on Casino Palace's profitability.

Results for the three months ended 30 June 2010

During the three months ended 30 June 2010 management have decreased the operational expenses by €0.5 million compared to the same period in 2009, which is mainly due to a reduction in the number of employees which was set off by the increase in marketing expenses that have principally been used for investing in new marketing programmes such as jackpots and lotteries in order to attract new players. The net loss for the three months ended 30 June 2010 was €1.4 million (2009: loss of €0.8 million).

SaSaZu

Results for the six months ended 30 June 2010

Last year we opened SaSaZu in Prague which includes a nightclub, and an Asian themed restaurant. The operation is still very much in its infancy, but we remain upbeat about the long term prospects. During the six month period ended 30 June 2010 there was an increase of 181% to €1.6 million in Gross revenues compared to the same period in 2009. The project has generated a negative EBITDA of €0.5 million (2009: negative EBITDA of €1.1 million) and net loss of €0.6 million (2009: loss of €0.8 million).

Results for the three months ended 30 June 2010

During the three month period ended 30 June 2010 there was an increase of 68% to €0.9 million in Gross revenues compared to the same period in 2009. The project has generated a negative EBITDA of €0.2 million (2009: negative EBITDA of €0.8 million) and a net loss of €0.5 million (2009: loss of €0.3 million).

Future Projects

The timing of new projects is dependent on the Group being able to identify signs of recovery in the global economy. We continue to follow developments in the gaming sector in the economies of our target countries to determine the correct timing and level of investment for developing our pipeline of projects. We are committed to further investment in SaSaZu to continue with further refurbishment and obtaining a full gaming license; however we have deferred payment to next year in order to protect our cash position.

Outlook

Conditions remain challenging in Greece and are likely to continue as such for the foreseeable future. The impact in the short term on win per visit is therefore likely to continue, however the Group remains positive about our strategy of maintaining customer levels which will position each casino well for when growth returns to our chosen markets. In the short term we are focused on targeted marketing efforts which have to date yielded the desired results of retaining significantly high levels of customers, and will continue with this going forward. We are committed to reducing operating costs at each of our operations and will only make strategic investments on a selective basis when the Group can be satisfied that the timings and costs are right.

Yigal Zilkha
Executive Chairman
23 August 2010

Financial Review for the three and six months ended 30 June 30, 2010

Revenues

Revenues, as presented in QLI's consolidated financial statement, consist of Total Gross revenues minus the tax on gross gaming revenues, applicable municipality and other gross taxes. QLI's total consolidated Gross revenues consist of gross gaming revenues, comprised of slot machine and gaming table wins, food and beverage sales, entrance fees, hotel accommodation and outlet charges, rentals and sundry revenues.

Net revenues amounted to €47.7 million for the six months ended June 30, 2009 compared to €57.9 million for the same period in 2009, a decrease of €10.2 million or 17.6% and gross gaming revenues amounted to €64.4 million for the six months ended June 30, 2010 compared to €78.8 million for same period in 2009, a decrease of €14.4 million or 18.3%. For the six months ended June 30, 2010, approximately 66.9%, 19.6%, 9.4% and 4.1% of QLI's gaming revenues were derived from Casino Loutraki, Casino Rodos, Casino Palace and Casino Belgrade, respectively. Gross gaming revenues decreased primarily as a result of the current global economic crises that reduced the average win per visit across the Group operations. Of the total gross revenues amounting to €68.4 million for the six months ended June 30, 2010, €4 million was derived from other revenues, compared to €3.1 million in the same period in 2009 an increase of 29%. The increase of €0.9 million is mainly attributable to the SaSaZu operation.

Net revenues amounted to €22.1 million for the three months ended June 30, 2010 compared to €26.8 million for the same period in 2009, a decrease of €4.7 million or 17.5% and gross gaming revenues amounted to €29.4 million for the three months ended June 30, 2010 compared to €36.3 million for the same period in 2009, a decrease of €6.9 million or 19%. For the three months ended June 30, 2010, approximately 66.8%, 20.1%, 8.6% and 4.5% of QLI's gaming revenues were derived from Casino Loutraki, Casino Rodos, Casino Palace and Casino Belgrade respectively. Gross gaming revenues decreased primarily as a result of the current global economic crises that reduced the average win per visit across the Group operations. Of the total gross revenues amounting to €31.6 million for the three months ended June 30, 2010, €2.2 million were derived from other revenues, compared to €2 million in the same period in 2009.

Operating Costs

Cost of Revenues

Cost of revenues consists primarily of costs related to gaming, such as security, food and beverage, staff costs (primarily salaries) and also costs related to facility maintenance, rent, utility costs, amortization and depreciation, Greek tourist organization duties and other costs consisting of travel, communication and consumables expenses.

Cost of revenues amounted to €34.7 million for the six months ended June 30, 2010 compared to €31.9 million for the same period in 2009, an increase of €2.8 million or 8.7%. €1.6 million of the increase in cost of revenues is primarily attributable to the consolidation of Casino Belgrade as from the 2nd quarter 2009 (until March 31, 2009 Casino Belgrade results were included in the company financial statements under the equity method), €0.6 million of the increase is attributable to expenses in SaSaZu in Prague which began operating in the 1st quarter of 2009, and €0.4 million of the increase is from Casino Loutraki which is mainly due to the increase in staff costs.

Cost of revenues amounted to €16.1 million for the three months ended June 30, 2010 compared to €15.8 million for the same period in 2009 an increase of 0.3 million.

Selling and marketing expenses

Selling and marketing expenses primarily consist of expenses related to advertising and marketing, as well as costs of marketing staff (primarily salaries), costs of food and beverage, complimentary hotel accommodation or reduced rates for casino patrons, transportation costs for casino patrons and costs related to entertainment.

Selling and marketing expenses amounted to €9.7 million for the six months ended June 30, 2010 compared to €8.1 million in the same period in 2009, an increase of €1.6 million or 19.7%, the increase is mainly due to marketing efforts in all our projects in order to attract players.

Selling and marketing expenses amounted to €4.9 million for the three months ended June 30, 2010 compared to €3.9 million for the same period in 2009, an increase of €1 million or 25.6%.

General and administrative expenses

General and administrative expenses consist primarily of the headquarter's and each location's local management and administrative staff costs (primarily salaries) and expenses resulting from grant of share options, expenses related to the other professional services, such as accounting, legal and consulting expenses, as well as audit fees, gratuities and donations, stamp duty, bank charges and other costs.

General and administrative expenses amounted to €11.8 million for the six months ended June 30, 2010 compared to €11.2 million for the same period in 2009, an increase of €0.6 million.

General and administrative expenses amounted to €5.3 million for the three months ended June 30, 2010 compared to €5.7 million for the same period in 2009, a decrease of €0.3 million. The decrease in general and administrative consolidated expenses is primarily attributable to an decrease in expenses with respect to staff cost and professional services.

EBITDA

QLI's consolidated negative EBITDA amounted to €1.5 million for the six months ended June 30, 2010 compared to €11.8 million for the same period in 2009. The decrease in the EBITDA of €13.3 million is primarily attributable to the decrease of €10.2 million in net revenues.

QLI's consolidated negative EBITDA amounted to €0.7 million for the three months ended June 30, 2010 compared to €4.7 million for the same period in 2009. The decrease in the EBITDA of €5.5 million is primarily attributable to the decrease of €4.7 million in net revenues.

Share of results of associates

Share of results of associates consists of an interest in Grand Casino D.o.o, a company incorporated in Belgrade, whose principal activity is casino gaming. The results of Grand Casino D.o.o are incorporated in CHL's financial statements until March 31st, 2009 under the equity method of accounting, and as of April 1st, 2009 are consolidated 100% in CHL's financial statements and 50% in QLI financial statements.

Investment income

Investment income is mainly attributed to interest accrued on bank deposits.

Investment income amounted to €0.2 million for the six months ended June 30, 2010 compared to €0.6 million for the same period in 2009, a decrease of €0.4 million. The decrease in investment income is primarily attributable to the reduction in interest rates accrued on bank deposits and decrease in cash and cash equivalents.

Investment income for the three months ended June 30, 2010 decreased by to €0.1 million compared to the same period in 2009.

Finance costs

Finance costs consist primarily of interest on loans.

Finance costs amounted to €0.5 million for the six months ended June 30, 2010 compared to €0.7 million for the same period in 2009, a decrease of €0.2 million. The decrease is primarily attributable to the finance costs on bank loans as a result of reducing the capital bank loans.

Finance costs amounted to €0.1 million for the three months ended June 30 2010, compared to €0.3 million for the same period in 2009.

Foreign exchange gain (loss)

Foreign exchange gain (loss) relates to gains or losses realized as a result of the fluctuations in the value of the Euro against the Romanian Lei, Serbian Dinar, Czech Koruna, USD and the NIS. QLI's reporting currency is Euro whilst the operation currency is the NIS. Changes in the Euro against the RON, SRD, US Dollar and NIS exchange rate have affected the foreign exchange gain (loss).

Foreign exchange loss amounted to €1.6 million for the six months ended June 30, 2010 compared to foreign exchange gains of €1 million for the same period in 2009. The foreign exchange loss is mainly attributable to the weakness of the Euro against the USD and the NIS.

Foreign exchange loss amounted to €0.4 million for the three months ended June 30, 2010 compared to foreign exchange gains of €0.1 million for the same period in 2009. The foreign exchange loss is mainly attributable to the weakness of the Euro against the USD and the NIS.

Tax

Taxes amounted to €4 million for the six months ended June 30, 2010 compared to €3.4 million for the same period in 2009, a increase of €0.6 million, The increase in taxes is primarily attributable to €2.1 million special social contribution tax imposed by the Greek government on 2009 profit and €0.7 million income tax in casino Beogard as a result of the recognition of tax liability, due to a change in the Serbian law regarding the period for transferring tax losses (reduced from 10 to 5 years), that was set off as a results of decrease in profit before tax.

Taxes amounted to €3.6 million for the three months ended June 30, 2010 compared to €1.8 million for the same period in 2009, an increase of €1.8 million, The increase in taxes is primarily attributable to €2.1 million special social contribution tax imposed by the Greek government on 2009 and €0.7 million income tax in casino Beogard as a result of the recognition of tax liability, due to a change in the Serbian law regarding the period for transferring tax losses (reduced from 10 to 5 years), that was set off as a results of decrease in profit before tax.

Loss

Loss amounted to €14.7 million for the six months ended June 30, 2010 compared to €1 million loss for the same period in 2009.

Loss amounted to €8.3 million for the three months ended June 30, 2010 compared to €0.4 million loss for the same period in 2009

The increase in loss is primarily attributable to the decrease in gross revenues, and the increase in net finance costs and the increase in income tax as explained above.

Cash and Funding Sources

QLI's principal sources of liquidity are cash provided by operations and loans under two loan facilities from banks provided to Club Hotel Loutraki SA and Rhodes Casino S.A. As at June 30, 2010, QLI's consolidated cash and cash equivalents were €20.4 million.

Cash Flow Statement Data

The table below summarizes the consolidated cash flow for the six and three months ended June 30, 2010 and 2009:

(000' Euro)	**For the three months ending 30 June,(unaudited)**		**For the six months ending 30 June,(unaudited)**	
	2010	**2009**	**2010**	**2009**
Cash flow from (used in) operating activities	(5,102)	1,138	(10,176)	10,160
Cash flow used in investing activities	(1,731)	713	(2,388)	(1,648)
Cash flow used infinancing activities	1	(6,058)	(484)	(6,490)
Net decrease in cash and cash equivalents	**(6,832)**	**(4,207)**	**(13,048)**	**2,022**
Foreign exchange rate	830	(2,050)	2,357	(2,703)
Cash and cash equivalents beginning of the period	26,371	62,591	31,060	57,015

Cash and cash equivalents end of the period	**20,369**	**56,334**	**20,369**	**56,334**

Operating Activities

QLI's consolidated net cash flow used in operating activities amounted to €10.2 million for the six months ended 30 June 2010. The cash outflows used in operating activities is primarily attributable to the loss before tax of €10.6 million and adjustments of €0.4 million primarily attributable to €6.9 million depreciation and amortisation, €1.6 million foreign exchange loss that was set off by €5.2 million decrease in payables and €3.5 million income tax and interest paid.

For the period of three months ended June 30, 2010 QLI's consolidated net cash flow used in operating activities amounted to €5.1 million. The cash outflows for operating activities is primarily attributable to the loss before tax of €4.7 million and adjustments of €0.4 million primarily attributable to €3.3 million depreciation and amortisation, that was offset by decrease of €1 million in payables and €2.5 million income taxes and interest paid in the period.

Investing Activities

For the six months ended June 30, 2010 QLI's consolidated net cash outflow used for investing activities amounted to €2.4 The net cash outflow in the period is primarily attributable to €3.8 million cash outflow for purchase of property plant and equipment that was offset by €0.8 million cash inflow from realization of trading investment and 0.5 million proceeds on sale of property, plant and equipment.

For the three months ended June 30, 2010, QLI's consolidated net cash used in investing activities amounted to €1.7 million. The net cash outflow, is primarily attributable to €1.8 million net cash used for purchase of property plant and equipment

Financing Activities

QLI's consolidated net cash outflow used for financing activities amounted to €0.5 million for the six months ended June 30, 2010. The net cash outflow used for financing activities is primarily attributable to €0.2 million dividends paid to minority shareholders and €0.4 million share profit paid to the Municipality of Loutraki.

Consolidated statements of comprehensive income
(In thousands of €)

	3 months ended 30 June		6 months ended 30 June		Year ended 31 December
	2010	(**)(*)2009	2010	(**) (*)2009	2009
	Unaudited	Unaudited	Unaudited	Unaudited	
Revenues	22,080	26,828	47,724	57,888	115,020
Operating costs					
Cost of revenues	(16,056)	(15,768)	(34,725)	(31,869)	(66,458)
Selling and marketing expenses	(4,908)	(3,920)	(9,711)	(8,142)	(17,335)
General and administrative expenses	(5,345)	(5,684)	(11,829)	(11,219)	(22,057)
Other operating expenses	(1)	(171)	(195)	(4,571)	(6,272)
Share of results of associates	-	-	-	(658)	(658)
Operating profit (loss)	**(4,230)**	**1,285**	**(8,736)**	**1,429**	**2,240**
Investment income	123	265	186	591	843
Finance costs	(286)	(316)	(537)	(688)	(1,258)
Foreign exchange gain (loss)	(388)	126	(1,586)	1,034	1,158
Profit (loss) before tax	**(4,781)**	**1,360**	**(10,673)**	**2,366**	**2,983**
Tax	(3,558)	(1,790)	(4,034)	(3,412)	(9,787)
Loss for the period	**(8,339)**	**(430)**	**(14,707)**	**(1,046)**	**(6,804)**
Other comprehensive loss					
Exchange differences arising on translation of foreign operations	1,491	(590)	3,244	(1,662)	(2,431)
Total comprehensive income (loss) for the period	**(6,848)**	**(1,020)**	**(11,463)**	**(2,708)**	**(9,235)**
Profit (loss) for the period attributable to:					
Equity holders of the parent	(7,173)	(1,211)	(13,304)	(2,326)	(8,293)
Minority interests	(1,166)	781	(1,403)	1,280	1,489
	(8,339)	**(430)**	**(14,707)**	**(1,046)**	**(6,804)**
Total comprehensive income (loss) for the period attributable to:					
Equity holders of the parent	(6,394)	(1,945)	(11,074)	(3,468)	(10,209)
Minority interests	(454)	925	(389)	760	974
	(6,848)	**(1,020)**	**(11,463)**	**(2,708)**	**(9,235)**
Loss per share					
Basic and diluted (¢)	(2.0)	(0.3)	(3.8)	(0.7)	(2.3)

(*) **Restated – See Note 2.2**
(**) Reclassifications – See Note 2.3

Consolidated statements of financial position
(In thousands of €)

	As at		
	30 June		31 December
	2010	(*)2009	2009
	Unaudited	Unaudited	
Non-current assets			
Intangible assets	10,315	12,273	11,313
Property, plant and equipment	122,392	133,469	126,146
Investment property	3,824	-	3,940
Deferred tax asset	2,866	2,311	2,118
Other long term receivables	9,064	9,450	8,174
Total non-current assets	**148,461**	**157,503**	**151,691**
Current assets			
Inventories	914	894	1,053
Investments	4,592	7,346	4,841
Trade and other receivables	4,758	5,037	6,758
Cash and cash equivalents	20,369	56,334	31,060
	30,633	69,611	43,712
Non - current assets held for sale	**3,000**	**-**	**-**
Total current assets	**33,633**	**69,611**	**43,712**
Total assets	**182,094**	**227,114**	**195,403**
Current liabilities			
Accounts payable	(6,416)	(4,941)	(6,695)
Current tax liabilities	(5,183)	(5,248)	(5,089)
Other current liabilities	(18,632)	(43,852)	(21,988)
Bank overdraft and loans	(17,135)	(16,950)	(17,093)
Total current liabilities	**(47,366)**	**(70,991)**	**(50,865)**
Net current liabilities	**(13,733)**	**(1,380)**	**(7,153)**
Total assets less current liabilities	**134,728**	**156,123**	**144,538**
Non-current liabilities			
Long-term bank loans	(6,695)	(8,612)	(6,634)
Other long-term liabilities	(4,324)	(6,796)	(4,113)
Deferred tax	(2,137)	(1,753)	(1,313)
Provision for retirement benefits	(5,947)	(5,770)	(5,848)
Total non-current liabilities	**(19,103)**	**(22,931)**	**(17,908)**
Net assets	**115,625**	**133,192**	**126,630**

(*) Restated – See Note 2.2

Consolidated statements of financial position (cont.)
(In thousands of €)

	As at		
	30 June		31 December
	2010	(*)2009	2009
	Unaudited	Unaudited	
Shareholders' equity			
Share capital	62,512	62,512	62,512
Share premium	130,998	130,998	130,998
Translation reserve	3,144	1,688	914
Other reserves	(14,080)	(14,080)	(14,080)
Accumulated deficit	(91,905)	(73,545)	(79,158)
Equity attributable to equity holders of the parent	**90,669**	**107,573**	**101,186**
Minority interest	**24,956**	**25,619**	**25,444**
Total Equity	**115,625**	**133,192**	**126,630**

(*) Restated – See Note 2.2

The financial statements were approved by the board of directors and authorised for issue on 22 August 2010. They were signed on its behalf by:

Yigal Zilkha
Executive Chairman of the Board

Etay Koppel
Chief Financial Officer

22 August, 2010

Consolidated statements of changes in equity (unaudited)
(In thousands of €)

	Share Capital	Share Premium	Translation reserve	Other reserve	Accumulated deficit	Parent	Minority Interest	Total Equity
For the six months ended 30 June 2010 (unaudited)								
Balance as at 1 January 2010	**62,512**	**130,998**	**914**	**(14,080)**	**(79,158)**	**101,186**	**25,444**	**126,630**
Translation differences	-	-	2,230	-	-	2,230	1,014	3,244
Expense resulting from grant of share options	-	-	-	-	557	557	-	557
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	69	69
Dividend	-	-	-	-	-	-	(168)	(168)
Loss for the period	-	-	-	-	(13,304)	(13,304)	(1,403)	(14,707)
Balance as at 30 June 2010	**62,512**	**130,998**	**3,144**	**(14,080)**	**(91,905)**	**90,669**	**24,956**	**115,625**
For the three months ended 30 June 2010 (unaudited)								
Balance as at 1 April 2010	**62,512**	**130,998**	**2,365**	**(14,080)**	**(84,902)**	**96,893**	**25,610**	**122,503**
Translation differences	-	-	779	-	-	779	712	1,491
Expense resulting from grant of share options	-	-	-	-	170	170	-	170
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(200)	(200)
Loss for the period	-	-	-	-	(7,173)	(7,173)	(1,166)	(8,339)
Balance as at 30 June 2010	**62,512**	**130,998**	**3,144**	**(14,080)**	**(91,905)**	**90,669**	**24,956**	**115,625**

Consolidated statements of changes in equity (unaudited)
(In thousands of €)

	Share Capital	Share Premium	Translation reserve	Other reserve	Accumulated deficit	Parent	Minority Interest	Total Equity
For the six months ended 30 June 2009 (unaudited)								
Balance as at 1 January 2009	**62,512**	**130,998**	**2,830**	**(7,950)**	**(71,495)**	**116,895**	**30,408**	**147,303**
Translation differences	-	-	(1,142)	-	-	(1,142)	(520)	(1,662)
Expense resulting from grant of share options	-	-	-	-	456	456	-	456
Reverse of expense resulting from options granted to former employees	-	-	-	-	(180)	(180)	-	(180)
Fair value of Put/Call options (*)	-	-	-	(6,130)	-	(6,130)	(1,729)	(7,859)
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(1,234)	(1,234)
Dividend	-	-	-	-	-	-	(2,586)	(2,586)
Profit (loss) for the period (*)	-	-	-	-	(2,326)	(2,326)	1,280	(1,046)
Balance as at 30 June 2009	**62,512**	**130,998**	**1,688**	**(14,080)**	**(73,545)**	**107,573**	**25,619**	**133,192**
For the three months ended 30 June 2009 (unaudited)								
Balance as at 1 April 2009 (*)	**62,512**	**130,998**	**2,422**	**(14,080)**	**(72,503)**	**109,349**	**27,846**	**137,195**
Translation differences	-	-	(734)	-	-	(734)	144	(590)
Expense resulting from grant of share options	-	-	-	-	169	169	-	169
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(566)	(566)
Dividend	-	-	-	-	-	-	(2,586)	(2,586)
Profit (loss) for the period (*)	-	-	-	-	(1,211)	(1,211)	781	(430)
Balance as at 30 June 2009	**62,512**	**130,998**	**1,688**	**(14,080)**	**(73,545)**	**107,573**	**25,619**	**133,192**

(*) Restated – See Note 2.2

Consolidated statements of changes in equity (unaudited) (Cont')
(In thousands of €)

	Share Capital	Share Premium	Hedging & Translation reserve	Other reserve	Accumulated deficit	Parent	Minority Interest	Total Equity
Balance as at 1 January 2009	**62,512**	**130,998**	**2,830**	**(7,950)**	**(71,495)**	**116,895**	**30,408**	**147,303**
Translation differences	-	-	(1,916)	-	-	(1,916)	(515)	(2,431)
Expense resulting from grant of share options	-	-	-	-	810	810	-	810
Reverse of expense resulting from options granted to former employees	-	-	-	-	(180)	(180)	-	(180)
Fair value of Put/Call options	-	-	-	(6,130)	-	(6,130)	(1,729)	(7,859)
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(1,623)	(1,623)
Dividend	-	-	-	-	-	-	(2,586)	(2,586)
Net profit (loss) for the year	-	-	-	-	(8,293)	(8,293)	1,489	(6,804)
Balance as at 31 December 2009	**62,512**	**130,998**	**914**	**(14,080)**	**(79,158)**	**101,186**	**25,444**	**126,630**

Consolidated cash flow statements
(In thousands of €)

	Notes	3 months ended 30 June		6 months ended 30 June		Year ended 31 December
		2010	2009	2010	2009	2009
		unaudited	unaudited	unaudited	unaudited	
Net cash from operating activities	**3**	**(5,102)**	**1,138**	**(10,176)**	**10,160**	**10,812**
Investing activities						
Interest received		125	247	182	533	767
Purchases of property, plant and equipment		(1,849)	(745)	(3,831)	(4,721)	(12,067)
Proceeds on sale of property, plant and equipment		462	-	467	43	79
Purchase of other intangibles		(11)	(61)	(14)	(84)	(214)
Advanced on fixed assets		-	-	-	-	(1,200)
Investment in an associate		-	-	-	(1,200)	3,783
Increase in other long-term receivables		-	-	-	-	(2,964)
Loans granted		-	-	-	-	1,125
Realisation of (Purchases) of trading investments		(458)	1,272	807	1,450	(18,669)
Initial consolidation of a subsidiary		-	-	-	2,331	-
Net cash used in investing activities		**(1,731)**	**713**	**(2,389)**	**(1,648)**	**(29,360)**
Financing activities						
Dividends paid to minority shareholders		-	(2,586)	(168)	(2,586)	(2,586)
Repayments of borrowings		-	-	-	-	(1,900)
Receipt / (repayment) of other long term liabilities		-	(334)	-	(334)	(397)
Share of profits paid to Municipality of Loutraki		-	(3,170)	(358)	(3,562)	(3,562)
Increase (decrease) in bank overdrafts		1	32	42	(8)	(15)
Net cash from (used) in financing activities		**1**	**(6,058)**	**(484)**	**(6,490)**	**(8,460)**
Net increase (decrease) in cash and cash equivalents		(6,832)	(4,207)	(13,049)	2,022	(27,008)
Effect of foreign exchange rate changes		830	(2,050)	2,358	(2,703)	1,053
Cash and cash equivalents at beginning of period		26,371	62,591	31,060	57,015	57,015
Cash and cash equivalents at end of period		**20,369**	**56,334**	**20,369**	**56,334**	**31,060**
Tax cash flow		(2,208)	(3,889)	(3,178)	(4,223)	(10,402)
Interest paid		(251)	(326)	(344)	(487)	(877)

NOTE 1 - BASIS OF PREPARATION

Queenco Leisure International Ltd (the "Company" or "QLI") was incorporated in Israel on 9 September 2002.

The Company's main activity is investment, through Israeli and foreign companies, (together, "the Group"), in tourist projects, including casinos and hotels, currently mainly in Greece, Romania, Serbia and the Czech Republic. The activities in Greece are in the city of Loutraki and Rhodes Island. The activities in Romania are currently in the city of Bucharest. The activities in Serbia are in the city of Belgrade. The activities in the Czech Republic are in the city of Prague. The Company provides advisory services to part of the projects.

The unaudited Interim Condensed Consolidated Financial Statements ("Interim Consolidated Financial Statements") for the six and three months period ended 30 June 2010 have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" and on a basis consistent with the accounting policies set out in the Financial Statements for the year ended 31 December 2009 published on the Company's website on 29 March 2010 ("2009 Financial Statements"). The Interim Consolidated Financial Statements should therefore be read in conjunction with the 2009 Financial Statements.

The Interim Consolidated Financial Statements for the six and three months period ended 30 June 2010, were approved by the Board of directors on 22 August 2010. The information relating to the year ended 31 December 2009 is an extract from the 2009 Financial Statements.

The preparation of the Interim Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

2.1 The condensed financial statements have been prepared under the historical cost convention, except for the revaluation of certain properties and financial instruments.

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the 2009 Financial Statements.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IAS 24 (Revised) - Related party Disclosures
- Amendments to IAS 32 - Financial Instruments: Presentation
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IFRIC 14 - Prepayments of a Minimum Funding Requirements
- IFRS 9 - Financial Instruments

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

2.2 Restatement

During March 2010, the Group completed the market valuations; purchase price allocations and other calculations with respect to the acquisition of additional shares in the Serbian Company (see also Note 1 to the 2009 Financial Statements). As a result, the Group has restated its initial accounting provisionally applied with respect to the transaction in its 31 March 2009 financial statements.

Under the purchase method of accounting, an impairment charge of € 8,717 thousand was recorded by CHL representing the loss from deemed disposal of CHL's 39% holdings in the Serbian Company prior to the transaction. The Groups 50% share in such charges is included in other operating expenses in the statement of comprehensive loss for the year ended 31 December 2009 and for the six months period ended 30 June 2009. In addition, Intangible assets initially recorded in an amount of € 16,220 thousand as at 31 March 2009, are included as per the final calculation in an amount of € 4,377 thousand.

Assets acquired and liabilities assumed at 31 March 2009 (as restated):

Net assets acquired	
Property, plant and equipment	15,594
Intangible assets	4,377
Inventories	65
Trade and other receivables	6
Trade and other payable	(1,613)
	18,429
Fair value of Put/Call options (Note 4)	7,859
Cancellation of intercompany balance	(7,619)
Total consideration	18,669
Satisfied by:	
Cash	-
Consideration recorded as liability	21,000
Net cash outflow arising on acquisition:	
Consideration	21,000
Cash and cash equivalents acquired	(2,331)
	18,669

The additional acquisition of the 51% of the shares of the Serbian Company contributed a loss of € 975 thousand to the Group's results of operations for the period between the date of acquisition and 30 June 2009 (a loss of € 731 thousand for the three months ended 30 June 2009).

If the acquisition had been completed on the first day of the 2009 financial year, Group revenues for the six months ended 30 June 2009 would have been € 59,136 thousand and Group loss would have been € 1,406 thousand.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

2.3 Reclassifications

Following examinations made by Casino Palace's management Casino Palace's management has decided to change the allocation of complimentary costs in Casino Palace and to present them under Selling and Marketing expenses rather than as cost of revenues expenses as previously presented.

Such change, applied retroactively, has resulted in the reclassification in the amount of Euro 585 thousand and Euro 318 thousand for the six months and three months ended 30 June 2009.

NOTE 3 - NOTES TO THE CONSOLIDATED CASHFLOW STATEMENTS

	3 months ended 30 June		**6 months ended 30 June**		**Year ended 31 December**
	2010	**(*)2009**	**2010**	**(*)2009**	**2009**
	Unaudited	**unaudited**	**Unaudited**	**unaudited**	
Profit (loss) before tax	**(4,781)**	**1,360**	**(10,673)**	**2,366**	**2,983**
Adjustments for:					
Depreciation of property, plant and equipment	3,033	2,707	5,759	4,593	10,529
Increase (decrease) in provisions	(1,251)	203	(675)	1,067	880
Loss on sale of property, plant and equipment	3	-	3	42	59
Amortisation of intangible assets	309	364	720	565	1,345
Impairment	-	-	-	-	1,672
Loss from deemed disposal on obtaining control in an associate	-	-	-	4,358	4,358
Investment income	(123)	(265)	(186)	(591)	(843)
Finance costs	286	316	537	688	1,258
Foreign exchange loss (gain)	388	(126)	1,586	(1,034)	(1,158)
Expense relating of grant of share options	170	169	557	276	711
Share of results of associates	-	-	-	658	658
Operating cash flows before movements in working capital	**(1,966)**	**4,728**	**(2,372)**	**12,988**	**22,452**
Decrease (increase) in inventories	(34)	(157)	136	(74)	(237)
Decrease (increase) in receivables	430	(175)	842	(822)	(2,360)
Increase (decrease) in payables	(1,073)	957	(5,260)	2,778	2,236
Cash generated by operations	**(2,643)**	**5,353**	**(6,654)**	**14,870**	**22,091**
Income taxes paid	(2,208)	(3,889)	(3,178)	(4,223)	(10,402)
Interest paid	(251)	(326)	(344)	(487)	(877)
Net cash from operating activities	**(5,102)**	**1,138**	**(10,176)**	**10,160**	**10,812**

(*) Restated – See Note 2.2

NOTE 4 - SIGNIFICANT EVENTS IN THE PERIOD AND AFTER THE BALANCE SHEET DATE

On 30 March 2010, Vasanta notified CAIH of the exercise of the Put Option pursuant to which CAIH will purchase from Powerbrook the following securities:

(i) Ordinary shares of PBS constituting 11.74% of the fully diluted share capital of PBS;

(ii) a special share of PBS providing for (A) the right to receive certain amounts out of (1) funds actually received by PBS and attributable to operating income of Casino Belgrade, in which CHL holds a 90% stake, and/or (2) the sale of shares of Casino Belgrade that may be distributed by PBS in the future and (B) the right, for so long as CHL controls Casino Belgrade and PBS controls CHL, that PBS will use its best efforts to cause the appointment of a non-voting observer on behalf of CAIH to the board of directors of Casino Belgrade; and

(iii) a special share providing for certain veto rights with respect to the operations of PBS for so long as CAIH holds at least 10% of the fully diluted share capital of PBS.

The aggregate exercise price of the Put Option payable to PBS is €49.5 million. In addition, Vasanta's board of directors resolved that, upon exercise of the Put option, PBS will be responsible for the payment of Euro 5.25 million to Casino Austria Greece GmbH ("CAGG"), resulting from certain outstanding amounts related to transactions between CAGG and Agastia Holdings Ltd., a 50% indirect subsidiary of the Company, during 2002.

The completion of the transaction is subjected to several procedures and approvals including the payment by CAIH of the Put Option price.

NOTE 5 - INCOME TAX CHARGE

Interim period income tax is accrued based on the estimated average annual effective income tax rate of approximately 30%. No deferred tax assets were recorded with regard to losses of the Company in a total amount of € 15.5 million at 30 June 2010 (€ 9.9 million and € 3.2 million at 31 December 2009 and at 30 June 2009).

According to a new tax law adopted by the Greek Parliament in April 2010, taxation of profits and dividends of Greek companies has radically changed. The regular tax rates of 24% applies on retained profits gradually will decrease to 20% in the year 2014 and on. Upon distribution of dividend the tax will increase to a total of 40% on profits from the year 2010. In addition, the tax treatment for a JV activities will change to 25% tax rate on retained profit from the year 2010 and will not carried any additional taxation upon dividends distributions.

According to a tax law issued at the end of 2009 in Greece, a special one-off tax was applied on the 2008 taxable income of companies in Greece. The tax was applicable also to CHL and the Rhodes Casino and was calculated on a scaled basis on the taxable income of 2008. As a result, the Company's 2009 consolidated statement of comprehensive loss includes a tax charge € 3.4 million with respect to such tax.

In May 2010, following the economical crisis in Greece, the Greek Parliament approved an additional, similar one-off tax. The tax is calculated on the basis of the 2009 profits resulting in an additional tax charge to the Group of € 2.1 million included in the Group's consolidated statements of comprehensive income for the six and three months periods ended in 30 June 2010.

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

During the six months period ended 30 June 2010, the Group spent approximately € 3,831 thousand on capital expenditures (mainly for renovations and equipment).

NOTE 7 - RELATED PARTY TRANSACTIONS

On 13 April 2010 Mr. Ron Be'ery, the Company's then Chief Executive Officer, notified that he will end his tenure as Active Chairman of the Board of Directors of the company within three months after the day of his announcement. After his resignation, Mr. Be'ery shall continue to serve as a director of the Company and as deputy chairman. Upon Mr. Be`ery's formal completion of his tenure the Board of Directors of the company has appointed Mr. Yigal Zilkha as its Active Chairman.

NOTE 8 - SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group is consolidating its business segments into one reporting segment based on the respective provisions of IAS 14 (up to and including 2008) and IFRS 8 (since 2009).

Geographical information:

The carrying amounts of non-current assets (fixed asset, investment property and intangible assets) in the Company's country of domicile (Israel) and in foreign countries based on the location of the assets are as follows:

	30 June		**31 December**
	2 0 10	**2 0 0 9**	**2 0 0 9**
	Unaudited	**Unaudited**	
Israel	1,481	1,235	1,338
Greece	86,989	96,889	91,158
Romania	5,915	6,326	6,242
Cambodia	14,520	12,410	12,368
Other foreign countries	27,626	28,882	30,293
	136,531	145,742	141,399

Revenues reported in the financial statements derive from the Company's country of domicile (Israel) and foreign countries based on the location of the customers, are as follows:

	3 months ended 31 March		**6 months ended 30 June**		**Year ended 31 December**
	2 0 10	**2 0 0 9**	**2 0 10**	**2 0 0 9**	**2 0 0 9**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	
Israel	32	53	78	53	120
Greece	17,864	22,214	38,526	46,504	92,647
Romania	2,164	2,757	5,208	9,473	16,205
Other foreign countries	2,020	1,804	3,912	1,858	6,048
	22,080	26,828	47,724	57,888	115,020

NOTE 9 - OTHER INFORMATION

1. On July 22, 2010, the Company announced that it has filed a lawsuit with the Central District Court of Israel, for declaratory reliefs and permanents injunctions with respect to the alleged violation of certain fiduciary duties by the representative of Vasanta Holdings Ltd. ("Vasanta"), Dasharta Holdings Ltd. and Agastia Holdings Ltd. (companies held directly or indirectly by QLI and Club Hotel Group (the "Joint Companies")) on the board of directors of Powerbrook Spain S.L. ("PBS") and with respect to his nomination as the representative of Vasanta on the board of directors of PBS, which the Company claims is null and void. For further information and background, please refer to the Company's annual report for the year ended December 31, 2009.

   According to the lawsuit, the Company moved for, inter alia, the following remedies:

   a. To declare that the appointment of the representative as the representative of the Joint Companies on the board of directors of PBS is null and void.
   b. To declare that the representative is not entitled to represent, in any way (including by merely being present), the Joint Companies, or any one of them, in meetings of the board of directors of PBS.
   c. To declare that the representative's participation in meetings of the board of directors of PBS is in violation of his fiduciary duties.

2. On September 24, 2009, the Company announced that its Board has instructed the Company's management to examine the process of a merger between the Company and Y.Z. Queenco. Such merger was expected to be consummated through the issuance to the Company's shareholders of ordinary shares of Y.Z. Queenco, resulting in Y.Z. Queenco becoming the holder (directly and indirectly) of all of the outstanding share capital of the Company. On March 15, 2010, the Company announced that its Board has resolved not to pursue such a merger at this stage.

3. In addition to certain disagreements with the co-shareholder of 50% in Vasanta and a motion to approve a derivative claim as mentioned in Note 31 to the 2009 Financial Statement, on May 12, 2010, the Company announced that it has been served with a copy of a motion filed with the Tel Aviv District Court by Club Hotel Eilat Ltd. The remedies requested in the motion include:

   a. A declaratory order that Club Hotel Eilat Ltd is the owner of 3% of the shares of Dasharta Holdings Ltd.

   b. A declaratory order that the Company takes all necessary action to complete the registration of the above mentioned 3% shares in the name of Club Hotel Eilat Ltd.

   On June 20th 2010 the Company submitted to the court its response to the motion, asking the court to reject the motion.